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FINANCIAL REPORT
JUNE 30, 1983

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30. 1983

STATE OF OREGON

VICTOR ATIYEH . GOVERNOR

EXECUTIVE DEPARTMENT

ROBERT W. SMITH. DIRECTOR

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STATE OF OREGON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1983

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VICTOR ATIYEH
GOVERNOR

Executive Department

155 COTTAGE STREET NE., SALEM, OREGON 97310

October 31, 1983

GOVERNOR
MEMBERS OF THE LEGISLATURE
AND OTHER CITIZENS OF OREGON

It is a pleasure to present the annual statewide financial statement for the State of Oregon prepared in accordance with ORS 291.040.

The accompanying financial statements present the financial condition of the State of Oregon as of June 30, 1983 and the results of operations for the year then ended. These statements are presented in accordance with generally accepted accounting principles applicable to governmental agencies.

The financial statements include the financial transactions of all state agencies. Supporting financial information, statistics, and notes are provided as considered necessary to completely and adequately disclose the financial status of the State.

In prior years the annual statewide financial report was unaudited. To improve the quality of financial reporting in Oregon this year, the statewide financial reporting process was subjected to independent audit. The accompanying financial statements were audited as indicated in the enclosed auditor's certification.

Although this financial report did not receive an unqualified auditor's opinion, the audit process helped greatly in providing a more accurate report.

We hope that we have provided financial statements which will be valuable to legislators, concerned citizens, and investors. Suggestions or comments are always welcome.

Robert W. Smith
Director

dp

encl.

ORGANIZATION OF OREGON STATE GOVERNMENT

General Organization

The government of the State of Oregon is comprised of three separate branches: Executive, Legislative, and Judicial. The Executive Branch which administers state agencies and enforces state laws, is headed by six independently elected officials. These are the Governor, Secretary of State, State Treasurer, Attorney General, Labor Commissioner, and Superintendent of Public Instruction.

The Governor, Secretary of State, and State Treasurer, in addition to performing their individual duties, jointly form the Land Board. The three members of the Board have equal responsibilities and the Governor serves as chairperson.

The Attorney General, Superintendent of Public Instruction, and Labor Commissioner are elected to carry out the particular duties of their respective divisions.

The Executive Branch

The Governor is elected to a four-year term and is limited to serving two terms in any twelve-year period. The present Governor, Victor Atiyeh, assumed office on January 8, 1979. Responsibilities of the Governor, in addition to chairing the Land Board, include planning and recommending a budget to the State Legislature, coordinating activities of state agencies, initiating future state activities, and coordinating services of federal and local governments.

The Governor is empowered to call special sessions of the Legislature and may veto single appropriation items or emergency clauses on legislative bills. He appoints numerous agency heads, board and commission members, and other officials.

The Secretary of State is the auditor of public accounts in the state and is chief elections officer. As auditor, the Secretary of State conducts audits of municipal corporations and audits the accounts and financial affairs of state boards, commissions, departments, and institutions. The Secretary of State also edits, codifies, and publishes Administrative Rules, which supplement laws passed by the Legislature and prescribe the manner in which state agencies conduct their business.

The State Treasurer is responsible for all moneys paid into the State Treasury and, as the State's Investment Officer, invests trust and general funds. The Treasurer also receives and disburses state funds, has custody of securities deposited with the state, and oversees the issuing, paying of interest, and retiring of bonds. The Treasurer is a member of the Oregon Investment Council, the State Land Board, the Local Government Investment Board, the Municipal Debt Advisory Commission, the Public Contract Review Board, and the Oregon Mass Transportation Financing Authority.

The State Land Board was created by the 1967 Legislature to supervise administration of state-owned lands and public rights in submerged and submersible lands. Proceeds from the use of these lands are deposited as principal in the Common School Trust Fund. Interest from the Fund is paid to counties for school operation.

The Legislative Branch

Oregon's Legislative Branch is comprised of a bicameral legislative assembly and its permanent and temporary legislative committees. The Senate has thirty members elected to four-year terms with half elected every two years. The House of Representatives has sixty members, all elected every two years.

The Legislature convenes its regular session in January of each odd-numbered year. The most recent session began January 10, 1983 and ended July 16, 1983. Session length is not prescribed by the Constitution, although it is usually of about six months' duration. The Legislature normally considers between 2,500 and 3,000 bills during a regular session and approximately 25 to 30 percent of these are enacted into law.

Special sessions of the Legislature may be called by the Governor or by a majority of each house to deal with emergency situations. Since 1970, the Legislature has held nine special sessions which have lasted between one and 37 days. The most recent special session was convened on September 14, 1983. The Legislature has never exercised its right to call itself into special session.

The primary function of the Legislature is to enact laws, to provide a forum for public discussion, and to determine fiscal policy together with the Executive branch. Certain Executive decisions are subject to confirmation by the Legislature. In addition, since 1977, Oregon has had a "sunset" law under which certain agencies and programs are terminated unless their continuation is specifically approved by the Legislature.

The Oregon Constitution, Article IX, Section 6, provides that the state may not budget expenditures in excess of revenues. Therefore, the Legislative and Executive branches must provide a balanced budget. The Legislature reviews and revises the Governor's recommended budget and passes appropriation measures to provide revenues. Because the Legislature convenes biennially, the finances of the state are managed on a biennial basis. However, state law now requires that the Executive Department prepare a financial report of state operations at the end of each fiscal year. The first such report was prepared as of June 30, 1979.

Of significant importance in the Legislative branch is the Emergency Board, a joint legislative committee created by statute. The seventeen-member Emergency Board consists of the President of the Senate, Speaker of the House of Representatives, Co-Chairpersons of the Joint Ways and Means Committee, six other Senate members and seven other House members. The Emergency Board, which may schedule its own meetings, usually meets once each month during the interim between regular sessions.

Where an emergency exists, the Emergency Board may allocate to any state agency out of funds appropriated to the Board for that purpose, moneys in addition to those allocated by the Legislature. The Board may take other actions to meet emergency interim needs such as providing funding for an activity required by law, authorizing expenditures from dedicated or continuously appropriated funds, and approving funding for a new activity coming into existence at a time which would preclude submitting of a budget to the Legislature.

In addition, the Legislature has a variety of statutory and interim committees that function throughout the biennium. Principal statutory committees include: Legislative Counsel Committee, Legislative Administration Committee, Land Use Committee, Data Processing Committee, Senate Executive Appointment Committee, Joint Committee on Water Policy and Trade and Economic Development. The major interim committees are the Joint Interim Revenue Committee, Joint Interim Judiciary Committee, Interim Committee on Sunset Review, House Interim Committees, and Senate Interim Task Forces.

The Judicial Branch

The Judicial Branch consists of the Supreme Court, the Court of Appeals, and the Tax Court. On January 1, 1983, the State also assumed the operations of the Circuit and District Courts, with the county employes becoming employes of the State of Oregon. The seven-justice Supreme Court was created and its jurisdiction defined by the Constitution. The Supreme Court has discretionary review of decisions of the Court of Appeals.

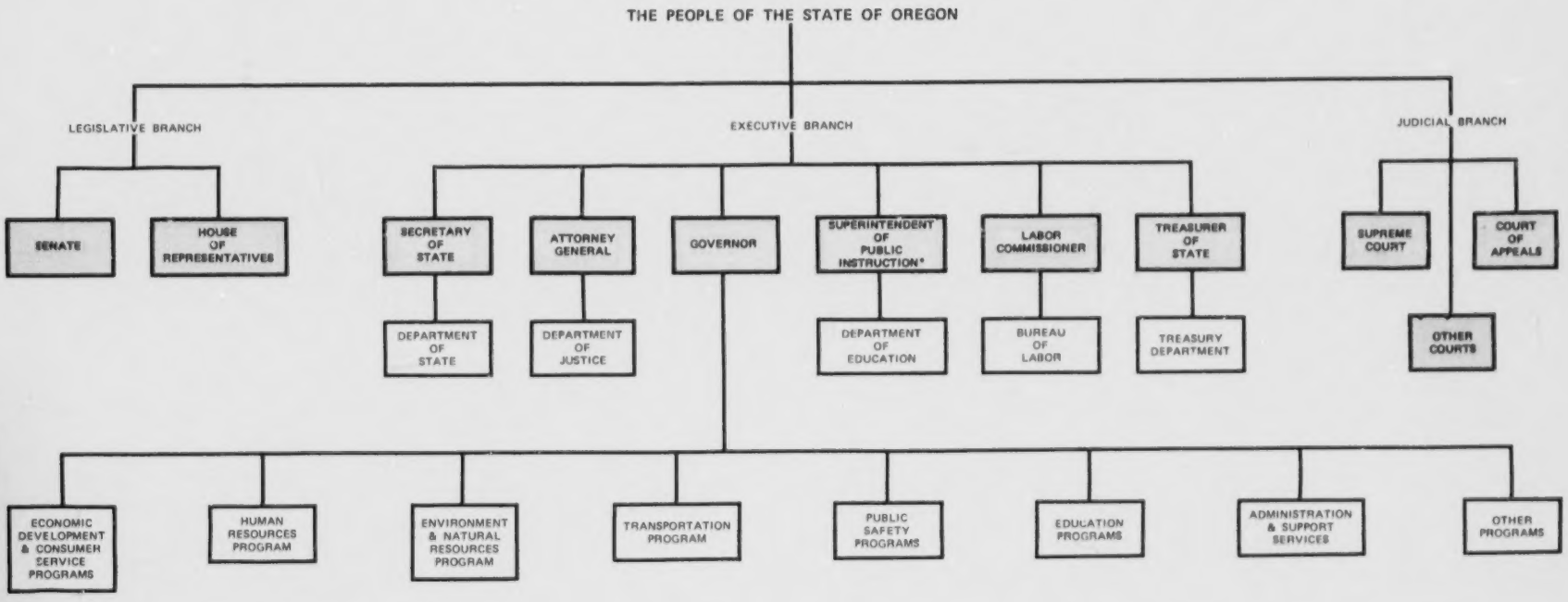
A five-judge Court of Appeals was created by the Legislature in 1969, expanded to six judges in 1973 and expanded to ten judges in 1977. The Court of Appeals has exclusive jurisdiction over all civil and criminal appeals from circuit and district courts and review of orders of state administrative agencies, Corrections Division disciplinary actions, and Board of Parole orders.

The one-judge Tax Court, created by the 1961 Legislature, has exclusive jurisdiction over tax-related matters. The Circuit Court is the state trial court of general jurisdiction, and the District Court is the trial court of limited jurisdiction.

All judges are elected to six-year terms on a non-partisan ballot. The Chief Justice exercises administrative authority over the courts of Oregon.

Exhibit 1 summarizes the organization of state government in Oregon.

STATE OF OREGON
ORGANIZATION OF GOVERNMENT



*The Superintendent of Public Instruction reports to the State Board of Education appointed by the Governor.

SHADING DEPICTS ELECTIVE OFFICES

BEST AVAILABLE COPY

STATE PROGRAM AREAS

Economic Development and Consumer Services

Since 1970, Oregon's economy has expanded rapidly. However, this expansion has also given rise to increasing demands for a wide variety of public services related to consumer protection, business regulation and public safety in the commercial sector. These demands have been met through more effective operation of existing programs and through the consolidation of overlapping activities wherever possible. The common elements of the many State agencies in this program are the safety and protection of the Oregon public as consumers and producers, as employes and employers, and as savers and investors. In the area of economic development, a variety of local economic stimulating projects are intended to provide more job opportunities for Oregonians and to generally stimulate Oregon's economy. The State Department of Economic Development is overseen by the Economic Development Commission and is active in international trade, port activities, industrial development incentive programs, and small business assistance.

Education

The education program area includes the Department of Education, the Department of Higher Education, and educational support agencies. The Department of Education, acting under the direction of the State Board of Education, exercises all administrative functions of the State relating to supervision, management and control of public, elementary and secondary schools and community colleges. The Department of Higher Education provides direct educational services through the State colleges and universities. The activities of both Departments are coordinated by the Oregon Educational Coordinating Commission.

Human Resources

Human resource agencies offer a variety of social services. Services offered include financial support to needy persons, medical care, protective services, and rehabilitation.

Natural Resources

The overall goal of the agencies in this program area is to conserve, develop, and protect the State's natural resources.

Public Safety

The overall goal for the public safety program area is a reduction in the amount of harm to individuals and damage to property caused by events of natural disasters, civil disorders, traffic accidents, criminal activities, and armed conflict. Other major objectives include improvement of criminal prosecution and consumer protection from fraudulent business practices.

Transportation

The transportation program area consists of the Department of Transportation, the Traffic Safety Commission, and the Travel Information Council. The basic goal of the Department of Transportation is to provide the State with systems of transportation which are safe, are environmentally compatible and provide for orderly economic growth. The objective of the Traffic Safety Commission is to promote traffic safety in Oregon by the use of Federal grants to State agencies and local governments. The Travel Information Council develops and maintains a Motorist Information and Sign Plaza Program and promulgates regulations to control on-premise signs and signs in unzoned commercial and industrial areas.

Administration and Support Services

This program area includes those agencies which provide either executive leadership or administrative and planning support services to line agencies.

Legislative Branch

The Legislative Branch is comprised of the Legislative Assembly and the permanent and temporary legislative committees. The bicameral ninety member Oregon Legislative Assembly convenes in odd-numbered years in regular legislative session. Permanent, statutorily established legislative committees provide special staff services to the Legislature. The Emergency Board is a joint legislative committee authorized to make allocations to state agencies to meet emergency needs when the Legislature is not in session.

Judicial Branch

The judicial program area is comprised of the state supported portion of the Judicial Branch of government to ensure an effective judicial system for the State.

STATE BUDGETARY PROCESS

Each agency of the State of Oregon is required by Oregon Revised Statute 291.208 to submit a budget request to the Executive Department prior to September 1 of each even-numbered year. Throughout the fall these budget requests are reviewed and budget hearings are held by the Executive Department and by the Governor. The Governor's budget recommendations to the Legislature must be printed and distributed by the beginning of December. Appropriation bills for each agency are prepared separately and filed during December. When the Legislature convenes in early January, the Joint Committee on Ways and Means can begin consideration of each bill.

The Legislative Fiscal Office functions as the staff of the Ways and Means Committee and analyzes each budget. Public hearings are held by Ways and Means subcommittees before the recommended budget bill is referred to both houses of the Legislature for a final vote. The Governor may veto any bill. This would render that particular agency budgetless, but the Governor's veto may be overridden by a two-thirds vote of the Legislature.

Since the Oregon Legislature is in session for only approximately six months out of every two years, agencies may request supplemental funding from the Emergency Board of the Legislature, for the interim period. The Emergency Board is a joint legislative committee authorized to make allocations to state agencies from the State Emergency Fund and Other Funds, including dedicated or continuously appropriated funds, and take other actions to meet emergency needs when the Legislature is not in session.

COMBINED STATEMENTS

Combined Statements provide a summary overview of the financial position of all funds and account groups and of the operating results by fund type. They also serve as an introduction to the more detailed statements and schedules that follow.

OFFICE OF THE SECRETARY OF STATE

NORMA PAULUS
SECRETARY OF STATE

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Honorable Victor Atiyeh
Governor of Oregon
State Capitol
Salem, Oregon 97310

We have examined the combined balance sheet of the State of Oregon as of June 30, 1983. Our examination was made in accordance with generally accepted auditing standards and, accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Because this was the initial audit of the financial statements of the State of Oregon, taken as a whole, we did not extend our auditing procedures to enable us to express an opinion on the combined statement of revenues, expenditures, and changes in fund equity: all governmental and expendable trust funds, the combined statement of revenues, expenditures, and changes in fund equity-budget and actual: governmental funds, the combined statement of operations and changes in fund equity: all proprietary fund types and similar trust funds, and the combined statement of changes in financial position: all proprietary fund types and similar trust funds for the year ended June 30, 1983, nor did we determine if accounting principles were applied consistently with those of the preceding year. Furthermore, as disclosed in note 15 to the financial statements, a contingent liability for pending lawsuits was not determined at June 30, 1983, and our review did not include any audit procedures to establish a contingent liability, if any, for pending lawsuits at June 30, 1983.

The combined statement of revenues, expenditures, and changes in fund equity-budget and actual presents the aggregate amounts of all governmental fund types. Generally accepted accounting principles require that each governmental fund type be reported separately.

As described more fully in note 1, all accounts comprising the assets, liabilities and retained earnings of the State Accident Insurance Fund (SAIF) Corporation have been excluded from Enterprise Funds reported on the combined balance sheet. Generally accepted accounting principles require the inclusion of the Corporation's assets, liabilities and retained earnings in Enterprise Funds since the State of Oregon, through its elected officials, has oversight responsibility over the Corporation which provides workmen's compensation insurance through charges to the insured. Cash and investments held by the State Treasurer, as agent for the Corporation, and the corresponding liability have been reported in Trust and Agency Funds.

In the accompanying combined financial statements, transactions and account balances associated with major highway construction and improvement projects are reported in Special Revenue Funds. Generally accepted accounting principles require that such transactions and account balances be reported in Capital Projects Funds. This departure from generally accepted accounting principles has resulted in accounts receivable and accounts payable of the Special Revenue Funds being overstated by approximately $13,000,000 and $18,000,000, respectively. Correspondingly, the Capital Projects Funds are understated by the same amounts for the same accounts. The accounting records,

as currently maintained by the State of Oregon Department of Transportation, do not readily provide for determining other effects of this departure from generally accepted accounting principles.

As described in note 1, Summary of Significant Accounting Policies, the generally accepted accounting principles used to prepare the accompanying financial statements were promulgated by the National Council on Governmental Accounting. The Department of Higher Education, however, maintains its accounting records based on generally accepted accounting principles prescribed by the National Association of College and University Business Officers. In order to conform to the presentation followed by other State of Oregon agencies the accounting records of the Department were restructured to conform with generally accepted accounting principles of the National Council on Governmental Accounting (NCGA). Due to the composition of existing accounting records the restructure was not in all cases properly completed. As a result, there are certain significant departures from the NCGA accounting principles, as discussed in the following two paragraphs.

Enterprise Funds fixed assets are reported in the General Fixed Asset Account Group. NCGA accounting principles require that fixed assets used in the activities of Enterprise Funds be recorded in the Enterprise Funds. The effect of this departure from NCGA accounting principles is an overstatement of more than $125,000,000, at cost, of fixed assets and investment in fixed assets in the General Fixed Asset Account Group. Additionally, although the $125,000,000 of fixed assets and related retained earnings is not in the Enterprise Funds we cannot estimate the understatement of fixed assets and retained earnings because no allowance for depreciation was provided for and it was not practical to determine such an amount at the time of our examination.

The Department of Higher Education hospital financial activities and balances are excluded from Enterprise Funds. Restructuring the accounts to conform with NCGA accounting principles would require that hospital activities be reported as Enterprise Funds. These financial activities were reported in other funds. As a result retained earnings and accounts receivable in the Enterprise Funds are understated by $14,000,000 and $16,000,000, respectively. Correspondingly, overstatements have occurred in the fund balance and accounts receivable of the Special Revenue Funds in like amounts. Additionally, all hospital revenues and expenses were recorded in Special Revenue Funds for the year ended June 30, 1983, and approximately $100,000,000 of revenues and expenditures are included in Special Revenue Funds, which should be included in Enterprise Funds.

Internal Service Fund retained earnings includes amounts contributed from the General Fund. Generally accepted accounting principles require contributed capital to be reported separately from retained earnings. The principal effects of this departure from generally accepted accounting principles is to overstate retained earnings by at least $37,617,000 and understate contributed capital by at least the same amount.

The Department of Human Resources, through its various divisions administers the state's medicaid program. The divisions involved have inconsistantly recorded interdepartmental transactions relating to this program. As a consequence, the amounts shown for interfund receivables of the Special Revenue Funds and Trust and Agency Funds are understated by approximately $9,000,000 and $12,000,000, respectively, while interfund payables of the General Fund and Special Revenue Funds are understated by $9,000,000 and $12,000,000, respectively.

In our opinion, except for the effects associated with the matters discussed in the foregoing paragraphs including the omission of SAIF corporation accounts from Enterprise Funds which results in an incomplete presentation, the combined balance sheet presents fairly the financial position of the State of Oregon, at June 30, 1983, in conformity with generally accepted accounting principles.

Since our examination was limited only to the combined balance sheet at June 30, 1983, we do not express an opinion on other combined financial statements, mentioned in the first paragraph, presenting the results of operation and changes in financial position of the State of Oregon for the period ended June 30, 1983.

Our examination was made solely for the purpose of forming an opinion on the combined balance sheet. The combining and individual fund financial statements, schedules and accompanying supplemental financial information are presented for the purpose of additional analysis and are not a required part of the combined financial statements of the State of Oregon. This information has not been subjected to any auditing procedures and accordingly, we do not express any opinion with regard to its relationship to the combined financial statements taken as a whole.

Norma Paulus
Secretary of State
and
Auditor of Public Accounts

George Bennett
Certified Public Accountant
and Supervisor
Division of Audits

October 24, 1983

STATE OF OREGON
COMBINED BALANCE SHEET
ALL FUNDS AND ACCOUNT GROUPS
June 30, 1983

(Expressed in Thousands)

	GOVERNMENTAL FUNDS			
ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT
Cash on Hand and in Banks	$ -	$ 85	$ -	$ -
Cash and Pooled Investments (Note 2)	(126,353)	180,099	21,785	10,853
Cash with Fiscal Agent	-	-	2,744	-
Investments - State Treasury (Note 1f)	149	58,901	36,853	15,548
Investments - Other (Note 1f)	-	21	-	171
Securities Held in Trust	-	232	-	-
Receivables (Note 1g)	19	104,425	3,224	566
Interfund Receivables (Note 10)	225,238	59,449	107	764
Inventories (Note 1h)	9,953	22,151	-	-
Prepaid and Deferred Expenses	2	3,045	-	-
Discount on Bonds Sold	-	-	-	-
Contracts, Mortgages, and Notes Receivable	4,101	218,913	-	-
Land, Buildings and Improvements (Note 1i,3)	-	-	-	-
Leased Property (Note 8)	-	-	-	-
Construction in Process	-	-	-	-
Equipment and Machinery	-	-	-	-
Allowance for Depreciation (Note 1j)	-	-	-	-
Available for Retirement of L-T Debt	-	-	-	-
To be Provided for Payment of L-T Debt	-	-	-	-
To be Provided for Payment of L-T Liabilities	-	-	-	-
Total Assets	$113,109	$ 647,321	$64,713	$27,902
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts and Interest Payable (Note 9)	$36,507	$ 133,640	$ 2,166	$1,661
Interfund Payables (Note 10)	16,920	39,530	5,386	65
Trust Funds Payable	-	2,553	-	-
Contract, Mortgages, and Notes Payable (Note 12)	-	-	-	-
Obligation Under Capital Lease (Note 8)	-	-	-	-
Advances from General Fund	-	-	-	-
Matured Bonds Payable	-	-	2,908	-
General Obligation Bonds Payable (Note 9)	-	-	-	-
Revenue Bonds Payable (Note 9)	-	-	-	-
Premium on Bonds	-	-	-	-
Deferred Income	4,101	240,337	169	-
Total Liabilities	$57,528	$ 416,060	$10,629	$ 1,726
Fund Equity:				
Reserve for Encumbrances (Note 1e)	$ -	$ -	$ -	$ -
Reserve for Inventories	9,953	22,151	-	-
Reserve for Revolving Accounts	-	1,497	-	-
Reserve - Other	28	239	-	-
Reserve for Trust Funds	-	-	-	-
Invested in Fixed Assets	-	-	-	-
Retained Earnings - Unreserved	-	-	-	-
Fund Balance - Unreserved (Note 5)	45,600	207,374	54,084	26,176
Total Fund Equity	$ 55,581	$ 231,261	$54,084	$26,176
Total Liabilities and Equity	$113,109	$ 647,321	$64,713	$27,902

See letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

PROPRIETARY FUNDS		FIDUCIARY FUNDS	ACCOUNT GROUPS		TOTALS (MEMO ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GEN. FIXED ASSETS	GEN. LONG TERM DEBT	1983	1982
$ 453	$ 79	$ 1,253	$ -	$ -	$ 1,870	$ 2,997
159,294	23,921	760,292	-	-	1,029,891	788,780
-	-	-	-	-	2,744	2,671
401,780	25,850	3,449,201	-	-	3,988,282	2,797,711
237,268	-	701,151	-	-	938,611	848,914
-	-	623,498	-	-	623,730	602,583
55,226	10,363	205,531	-	-	379,354	251,997
397	365	24,105	-	-	310,425	159,636
21,287	8,885	87	-	-	62,363	50,965
187	45	-	-	-	3,279	2,658
18,434	-	-	-	-	18,434	11,675
5,439,539	-	200,816	-	-	5,863,369	6,028,554
55,639	63,767	1,848	724,643	-	845,897	1,134,304
8	2,152	-	765	-	2,925	1,898
5,910	1,403	-	6,892	-	14,205	3,849
12,865	97,123	662	347,371	-	458,021	407,515
(38,588)	(70,833)	(182)	-	-	(109,603)	(116,627)
-	-	-	-	54,084	54,084	61,475
-	-	-	-	253,856	253,856	321,701
-	-	190	-	9,623	9,813	79,486
$6,369,699	$163,120	$5,968,452	$1,079,671	$317,563	$14,751,550	$13,442,942
$ 231,150	$ 11,806	$ 95,000	$ -	$ -	$ 511,930	$ 395,165
4,020	5,177	239,327	-	-	310,425	159,636
2,698	112	1,722,884	-	-	1,728,247	1,516,958
8,827	30,906	194	-	9,200	49,127	86,270
-	1,509	-	-	1	1,510	11,753
-	-	-	-	422	422	2,341
30	-	-	-	-	2,938	2,900
5,495,150	-	-	-	307,940	5,803,090	5,583,406
496,511	-	-	-	-	496,511	528,689
20,729	-	-	-	-	20,729	20,026
3,051	64	142,704	-	-	390,426	455,495
$6,262,166	$49,574	$2,200,109	$ -	$317,563	$9,315,355	$8,762,640
$ -	$ -	$ -	$ -	$ -	$ -	$ 78,359
-	-	26	-	-	32,130	22,418
-	-	-	-	-	1,497	-
-	-	11	-	-	278	1,930
-	-	3,873,797	-	-	3,873,797	2,796,985
-	-	1,342	1,079,671	-	1,081,013	1,308,037
107,533	113,546	-	-	-	221,079	345,102
-	-	(106,833)	-	-	226,401	127,471
$ 107,533	$113,546	$3,768,343	$1,079,671	$ -	$ 5,436,195	$ 4,680,302
$6,369,699	$163,120	$5,968,452	$1,079,671	$317,563	$14,751,550	$13,442,942

STATE OF OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - ALL GOVERNMENTAL AND
EXPENDABLE TRUST FUNDS

(Expressed in Thousands)

	GOVERNMENTAL FUNDS				FIDUCIARY	TOTALS (MEMO ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	YEAR ENDED JUNE 30, 1983
Revenue						
Income Taxes	$1,319,802	$ -	$ -	$	$ -	$1,319,802
Selective Sales and Use Taxes	58,657		2,360	-	-	61,017
Gross Receipts Business Taxes	31,790	4,064	-	-	-	35,854
Employer-Employe Taxes	-	103,736	-	-	231,817	335,553
Inheritance and Gift Taxes	35,759	-	-	-	-	35,759
Severance Taxes	1,800	-	-	-	-	1,800
Other Taxes	2,598	-	-	-	441	3,039
Business Licenses and Fees	4,302	19,125	-	-	-	23,427
Nonbusiness Licenses and Fees	1,577	27,027	-	-	72	28,676
Federal Revenue	131	846,373	205	(430)	102,627	948,906
Charges for Services	4,704	244,183	2,288	-	(674)	250,501
Fines and Forfeitures	11,034	15,716	-	-	-	26,750
Rents and Royalties	134	1,211	20	1,524	-	2,889
Interest Income	(572)	18,736	15,352	1,266	17,448	52,230
Sales Income	43,322	30,895	-	-	4,524	78,741
Donations and Grants (Nonfederal)	-	33,675	-	976	164	34,815
SAIF Assessment	81,000	-	-	-	-	81,000
Other Revenue	8,510	20,784	1,346	2,014	2,618	35,272
Total Revenue	$1,604,548	$1,365,525	$21,571	$5,350	$359,037	$3,356,031
Other Financing Sources (Uses)						
Transfers-In	$ 1,657	$1,100,621	$ 21,065	$12,953	$ 169,803	$1,306,099
Transfers-Out	-	(84,961)	(17,925)	-	(466,638)	(569,524)
Bond Proceeds	-	27,500	-	-	-	27,500
Loan Repayments	2,418	919	3,014	-	72	6,423
Total Other Financing Sources (Uses)	$ 4,075	$1,044,079	$ 6,154	$12,953	$(296,763)	$ 770,498
Total Revenue and Other Financing Sources (Uses)	$1,608,623	$2,409,604	$27,725	$18,303	$ 62,274	$4,126,529
Expenditures						
Personal Services	$ 342,681	$ 518,712	$ -	$ 144	$ 1,568	$ 863,105
Services and Supplies	94,982	537,173	73	11,574	1,921	645,723
Capital Outlay	7,958	16,071	-	15,268	30	39,327
Special Payments	950,652	931,276	-	-	163,479	2,045,407
Debt Service	47	361	35,043	-	-	35,451
Nonlimited	-	468,647	-	-	3,211	471,858
Total Expenditures	$1,396,320	$2,472,240	$35,116	$26,986	$ 170,209	$4,100,871
Excess (Deficiency) Revenues Over Expenditures	$ 212,303	$ (62,636)	$(7,391)	$(8,683)	$(107,935)	$ 25,658
Fund Equity Beginning	(159,761)	286,947	61,475	34,859	287,062	510,582
Increase in Reserve for Inventories	3,011	6,764	-	-	1	9,776
Increase in Reserve for Revolving Accounts	-	80	-	-	-	80
Increase in Reserves - Other	28	90	-	-	(50)	68
Prior Period Adjustments	-	16	-	-	245	261
Fund Equity - Ending	$ 55,581	$ 231,261	$54,084	$26,176	$ 179,323	$ 546,425

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS

(Expressed in Thousands)

	YEAR ENDED JUNE 30 1982	YEAR ENDED JUNE 30 1983	ACTUALS 1981-83 BIENNIUM	1981-83 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue					
Income Taxes	$1,093,073	$1,319,802	$2,412,875	$2,387,323	$ 25,552
Selective Sales and Use Taxes	41,359	60,039	101,398	95,990	5,408
Gross Receipts Business Taxes	36,633	35,854	72,487	70,629	1,858
Employer-Employe Taxes	31,059	54,476	85,535	66,487	19,048
Inheritance and Gift Taxes	42,216	35,759	77,975	74,000	3,975
Severance Taxes	1,744	1,800	3,544	-	3,544
Other Taxes	-	2,598	3,598	4,590	(1,992)
Business Licenses and Fees	22,966	23,028	45,994	51,311	(5,317)
Nonbusiness Licenses and Fees	29,495	29,298	58,793	70,162	(11,369)
Federal Revenue	668,782	758,082	1,426,864	1,477,428	(50,564)
Charges for Services	214,095	251,002	465,097	450,751	14,346
Fines and Forfeitures	6,993	17,285	24,278	19,053	5,225
Rents and Royalties	4,851	3,536	8,387	8,275	112
Interest Income	39,673	10,152	49,825	45,676	4,149
Sales Income	75,280	73,135	148,415	171,740	(23,325)
Donations and Grants (Nonfederal)	2,964	2,491	5,455	3,586	1,869
SAIF Assessment	-	81,000	81,000	81,000	-
Other Revenue	35,747	37,039	72,786	73,871	(1,085)
Total Revenue	$2,346,930	$2,796,376	$5,143,306	$5,151,872	$ (8,566)
Expenditures					
Personal Services	$ 799,702	$ 801,230	$1,600,932	$1,654,661	$ 53,729
Services and Supplies	483,635	486,701	970,336	1,103,350	133,014
Capital Outlay	34,777	32,242	67,019	131,880	64,861
Spcial Payments	1,368,556	1,383,740	2,752,296	2,906,459	154,163
Debt Service	12,698	9,684	22,382	22,422	40
Total Expenditures	$2,699,368	$2,713,597	$5,412,965	$5,818,772	$ 405,807
Excess (Deficiency) of Revenues Over Budgeted Expenditures	$ (352,438)	$ 82,779	$ (269,659)	$ (666,900)	$ 397,241
Other Financing Sources (Uses)					
Nonlimited Expenditures	(1,046,758)	(1,129,057)	(2,175,815)	-	(2,175,815)
Nonlimited Revenues	1,040,222	1,092,019	2,132,241	-	2,132,241
Interfund Transfers-In (Out)	258,237	239,765	498,002	677,722	(179,720)
Transfers to Counties and Cities	(73,821)	(84,963)	(158,784)	(171,335)	12,551
Bond Sales/Loan Proceeds	11,710	29,918	41,628	71,438	(29,810)
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ (162,848)	$ 230,461	$ 67,613	$ (89,075)	$ 156,688
Fund Equity, July 1, 1982		223,520			
Adjustments Recorded During The Year But Charged to Prior Bienniums					
Revenue		(8,860)			
Expenditures		(15,855)			
Increase (Decrease) in Reserves					
Inventories		9,775			
Encumbrances		(72,153)			
Revolving Accounts		80			
Other		118			
Prior Period Adjustments		16			
Fund Equity, June 30, 1983		$ 367,102			

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINED STATEMENT OF OPERATIONS AND CHANGES IN FUND EQUITY -
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMO ONLY) YEAR ENDED JUNE 30, 1983
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	NONEXPENDABLE TRUST	
Sales Income	$113,471	$18,091	$ -	$ -	$ 131,562
Cost of Goods Sold	77,314	14,465	-	-	91,779
Gross Profit on Sales	$ 36,157	$ 3,626	$ -	$ -	$ 39,783
Other Income					
Contributions	$ -	$ -	$ 382,698	$ -	$382,698
Taxes and Licenses	13,903	31	-	45	13,979
Federal Revenue	769	27	-	385	1,181
Charges for Services	126,645	132,634	-	84	259,363
Rents and Royalties	1,004	10,235	-	1,470	12,709
Fines and Forfeitures	41	-	-	-	41
Interest Income	400,767	3,585	458,529	14,896	877,777
Donations and Grants (Nonfederal)	335	18	-	779	1,132
Other Revenue	49,390	1,176	-	4,846	55,412
Loss on Foreclosed Property (Net)	(15,075)	-	-	-	(15,075)
Total Other Income	$ 577,779	$147,706	$ 841,227	$22,505	$1,589,217
Total Income	$ 613,936	$151,332	$ 841,227	$22,505	$1,629,000
Operating Expenses					
Personal Services	$110,928	$ 54,730	$ 1,595	$ 980	$ 168,233
Services and Supplies	64,281	83,314	785	855	149,235
Special Payments	4,076	-	-	-	4,076
Debt Service	424,318	-	-	-	424,318
Depreciation	3,031	14,638	30	-	17,699
Benefit Payments	-	-	171,660	13,682	185,342
Interest Expense	-	1,031	-	-	1,031
Total Expenses	$606,634	$153,713	$ 174,070	$15,517	$ 949,934
Net Income (Loss) From Operations	$ 7,302	$ (2,381)	$ 667,157	$ 6,988	$ 679,066
Other Sources (Uses) of Funds					
Operating Transfers-In (Out)	$(23,531)	$(12,486)	$ -	$ 1,483	$ (34,534)
Loss on Sale of Equipment	-	(577)	(36)	(21)	(634)
Total Sources (Uses)	$(23,531)	$(13,063)	$ (36)	$ 1,462	$ (35,168)
Net Income (Loss)	$(16,229)	$(15,444)	$ 667,121	$ 8,450	$ 643,898
Fund Equity - Beginning	212,340	138,827	2,377,344	191,687	2,920,198
Increased Value of Investments	-	-	326,282	-	326,282
Bonds Liability From General Long-Term Debt Account Group	(89,838)	-	-	-	(89,838)
Prior Period Adjustment	1,260	(9,837)	19,600	(1,464)	9,559
Fund Equity - Ending	$107,533	$113,546	$3,390,347	$198,673	$3,810,099

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMO ONLY)
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	NONEXPENDABLE TRUST	YEAR ENDED JUNE 30, 1983
Sources of Working Capital					
Operations:					
Net Income (Loss)	$ (16,229)	$(15,444)	$ 667,121	$ 8,450	$ 643,898
Add Depreciation/Amortization not Requiring Expenditures of Funds	3,030	14,638	30	-	17,698
Total Provided by Operations	$ (13,199)	$ (806)	$ 667,151	$ 8,450	$ 661,596
Lease Purchase Contracts	309	11,531	-	-	11,840
Disposal of Property and Equipment	50	1,425	7	85	1,567
Sale of Bonds	492,986	-	-	-	492,986
Loan Repayments	355,678	-	-	5,441	361,119
Increased Valuation of Investments	-	-	326,279	-	326,279
Prior Period Adjustment to Working Capital	2,626	-	19,600	2,075	24,301
Total Provided	$ 838,450	$ 12,150	$1,013,037	$ 16,051	$1,879,688
Uses of Working Capital					
Retirement of Bonds	$ 176,828	$ -	$ -	$ -	$ 176,828
Payment on Loans	-	2,915	-	-	2,915
Loans Made	345,512	-	-	7,314	352,826
Property Acquired From Another Fund	-	3,475	-	-	3,475
Construction of Buildings	6,159	-	-	-	6,159
Purchase of Property and Equipment	1,782	10,717	28	95	12,622
Payment of Other Long-Term Debt	109	-	-	-	109
Purchase Capital Lease/Leasehold	-	1,864	-	-	1,864
Other	28	-	-	-	28
Total Applied	$ 530,418	$18,971	$ 28	$ 7,409	$ 556,826
Net Increase (Decrease) in Working Capital	$ 308,032	$(6,821)	$1,013,009	$ 8,642	$1,322,862
Elements of Net Increase (Decrease) in Working Capital					
Cash	$(115,171)	$ 3,246	$ 970	$(16,531)	$ (127,486)
Investments	369,256	(154)	1,003,141	18,394	1,390,647
Receivables	7,739	2,415	49,776	(16,827)	43,103
Inventories	1,984	(195)	8	3	1,800
Payables	38,990	(12,069)	(40,886)	23,602	9,637
Deferred Income	(832)	(64)	-	1	(895)
Premium/Discount on Bonds	6,056	-	-	-	6,056
Net Increase (Decrease) in Working Capital	$ 308,032	$(6,821)	$1,013,009	$ 8,642	$1,322,862

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

NOTES TO
FINANCIAL STATEMENTS

NOTES TO THE STATEMENTS

The notes to the financial statements contain a summary of significant accounting policies and other notes considered necessary for a clearer understanding of the financial statements.

1. Summary of Significant Accounting Policies

a. Reporting Entity

The reporting entity of the State of Oregon includes all state agencies, universities, commissions, and boards for which the elected state officials have oversight responsibility. Oversight responsibility implies that the state officials have final decision-making authority, designate who will manage day-to-day operations of the governmental activity or program, and significantly influence the operations. The governmental unit is dependent upon the elected state officials for fiscal decisions relative to adoption of budgets and funding of deficits.

All functions, programs, and activities that are controlled by or dependent upon the legislative or executive branch of the State of Oregon are included in this report. This includes the State Court system and the Retirement system.

Commodity commissions were originally established for the purpose of expanding the markets for specific commodities. The Department of Agriculture, a state agency, has general supervisory authority over the commodity commissions. However, ORS 576.311 exempts the commodity commissions from certain financial administration laws. Therefore, the financial information pertaining to agricultural commodity commissions is not included in this report.

The State Accident Insurance Fund Corporation (SAIF) has been a public corporation since July 1, 1980. It has not been included in this report since then. Its new status as a part of this reporting entity was determined too late to include the financial information this year. Cash and investments of SAIF are handled by the State Treasurer and are included as trust assets in this report ($46,962 thousand Cash, $10,640 thousand Accrued Interest, and $650,477 thousand Investments). Audited financial statements for SAIF are available upon request.

b. Basis of Presentation

The accompanying financial statements are prepared in conformity with generally accepted accounting principles (GAAP) applicable to state governments. The principal authority for accounting and reporting requirements in Oregon is the Executive Department through its Administrative Rules and the State Accounting Manual. The Department interprets the guidelines with respect to GAAP applicable to state governments presented by the National Council (Committee) on Governmental Accounting (NCGA), the Financial Accounting Standards Board (FASB), Statement 1: Governmental Accounting and Financial Reporting Principles, Statement 2: Grant Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments, and "Audits of State and Local Governmental Units (ASLGU)," 1974 as published by the American Institute of Certified Public Accountants.

The Department of Higher Education accounting records are maintained using the generally accepted accounting principles prescribed by the National Association of College and University Business Officers in College and University Business Administration (CUBA, 1974). In order to conform with the financial statement presentation followed by other state agencies, Higher Education's financial data have been restructured and blended into the appropriate fund types.

c. State Accounting Funds

The nine fund types utilized in Oregon's financial report are:

Governmental Funds

(1) The General Fund accounts for ordinary operations financed by legislatively approved appropriations from general revenues and used for general governmental purposes. General Fund appropriation debt service and capital construction projects are reported in the Debt Service Fund or the Capital Project Fund, respectively.

(2) Special Revenue Funds account for the proceeds of specific revenue sources or finance specified activities as required by law or administrative regulations. Special Revenue Funds are established to account for taxes, licenses, and other revenue allocated by law to specific purposes. These revenues are collected by an agency and deposited in the State Treasury in the agency's own cash account. Expenditures are made from the account and are usually charged against a legislatively-approved limitation.

A Special Assessment Fund accounts for special assessments levied to finance public improvements or services deemed to benefit the properties against which the assessments are levied. Since only one Special Assessment Fund, Forest Protection, exists in the State of Oregon, this fund has been combined with the Special Revenue Funds.

(3) Debt Service Funds account for the accumulation of resources for and the payment of interest and principal on general obligation bonds. They include debt service provided by General Fund appropriation.

Most Debt Service Funds are essentially "flow-through" vehicles through which current period principal and interest requirements and payments are accounted. Such funds will have minimal (if any) fund balances at year-end.

(4) Capital Project Funds account for financial resources segregated for the construction or acquisition of major capital facilities. They include capital construction and capital improvements financed by General Fund appropriations.

A Capital Projects Fund is established upon project or debt issue authorization by the Legislature. All expenditures necessary to bring the facility in question to a state of readiness for its intended purpose are reported as Capital Project Fund costs. In addition to the direct cost of items such as land, buildings, materials, and labor, total project costs include such related items as engineering and architectural fees, transportation costs, damages occasioned by the project, and other costs associated with the endeavor.

At June 30, partially completed projects are included in the Construction in Process account in the appropriate fund or account group.

Upon completion of a project, the buildings, or other structures are recorded at cost in the General Fixed Asset Account Group or in the appropriate Proprietary Fund or Fiduciary Fund.

Proprietary Funds

(5) Enterprise Funds account for the provision of goods and services to the general public where all or most of the costs involved are primarily paid in the form of charges to the users of such services. Among the many types of self-supporting activities financed through Enterprise Funds are insurance operations, fair operations, and liquor retailing operations. Issuance of revenue bonds to finance activity is also indicative of the self-supporting nature of an activity that should be accounted for through an Enterprise Fund.

(6) Internal Service Funds account for the financing of goods and services provided by an agency on a cost-reimbursement basis to any other governmental unit, whether state, federal, or local. Activities handled through Internal Service Funds vary widely both as to type and complexity of operation. Among the types are those used to acquire and distribute items of inventory such as office supplies or gasoline; operation of motor pools; duplicating and printing facilities; and repair shops and garages. Other examples are purchasing, accounting, auditing, and data processing services.

Fiduciary Funds

(7) A Trust Fund is established to account for assets received and held by an agency acting in the capacity of trustee or custodian. An Agency Fund is established to account for assets received by an agency in its capacity as an agent for individuals, other funds, or other governmental organizations.

If an agency receives resources in a trust and agency capacity, the agency reports the resources in a trust and agency fund. This includes resources collected for redistribution in other funds in the same agency; to the general fund at the State Treasury; or to other governmental units.

General Fixed Assets Account Group

(8) The General Fixed Asset Account Group is used to account for fixed assets acquired through governmental funds. Fixed assets acquired through Enterprise, Trust, or Internal Service Funds are not general fixed assets, but are reported in the accounts of the acquiring fund.

General Long-Term Debt Account Group

(9) The General Long-Term Debt Account Group includes all general obligation bonds and long-term liabilities other than the self-supporting Oregon Veteran's bonds and Elderly Housing bonds included in the Enterprise Funds and long-term liabilities included in Internal Service, Enterprise and Trust Funds.

General obligation bonds are secured by the full faith and credit of the State and are not deemed to be the obligation of any specific fund.

d. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Taxpayer assessed taxes are considered "measurable" when the revenue is in the hands of intermediary collecting agents. Expenditures are recognized under the modified accrual basis of accounting when the related liability is incurred. An exception to this general rule of expenditure recognition is: Principal and interest on general long-term debt is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

The modified accrual basis of accounting has been utilized for expendable trust funds and agency funds. The pension trust funds and nonexpendable trust funds use the accrual basis of accounting.

e. Budgetary Accounting

Agency budgets are approved by the Legislature biennially. Any increases in the budgets that may be necessary are approved by the Emergency Board during the interim.

During the biennium, the Executive Department approves spending limits for each quarter. Each agency's actual expenditures are monitored daily against approved budgets, quarterly allotments, and cash balances.

Budgets adopted for governmental type funds are on a basis consistent with GAAP. These funds, however, also include nonlimited (nonbudgeted) expenditures.

Budget approval is also required in Oregon for proprietary funds and certain fiduciary funds. Special budgetary schedules are included in Note 17 to present this requirement. A reconciliation is also presented to reflect the differences between the revenues and expenditures presented in the budgetary schedules and the GAAP-basis statements.

At the end of the biennium with few exceptions, goods and services must be received by June 30 in order to be charged against the current biennium. If the goods or services are not received prior to June 30, the expenditure will be charged against the new biennium. On September 30 of each odd-numbered year, appropriations revert and limitations are cancelled.

Encumbrance accounting, under which purchase commitments for the future expenditures of moneys are treated as expenditures, was discontinued during the fiscal year ended June 30, 1983.

f. Investments

Most of the investments are stated at cost. Foreclosed property, however, is presented at the appraised value of the property at the date of foreclosure. Market values are stated, if available.

(Expressed in Thousands)

	Cost	Market
Designated investments held by State Treasury (Page 11)	$3,988,282	$3,538,095
Housing Division investments held by banks	195,972	194,210
SAIF investments included in State Treasury	650,477	639,190
Foreclosed Property	41,270	-
Other	50,892	-
Total Cost	$4,926,893	

g. Receivables

Receivables are shown net of any provisions for uncollectible accounts.

h. Inventories

Inventories are primarily stated at cost utilizing the FIFO (first-in, first-out) costing method. Physical inventories are required to be taken annually. In governmental type funds, the expenditure occurs when the inventory is purchased.

In the proprietary funds inventories are usually defined as the cost of goods held for resale. In all other funds, inventories are considered the value of supplies on hand for use in the fund's operations.

i. Fixed Assets

The classes used for reporting fixed assets are:

Land, Buildings and Improvements
Construction in Process
Equipment and Machinery
Leased Property

Fixed assets utilized in proprietary fund activities are reported in the appropriate proprietary fund (Enterprise and Internal Service Funds) because the fixed assets are used in the production of the goods or services provided and sold. Depreciation of these fixed assets is recorded to determine total expenses, net income, and whether the fund's capital has been impaired.

Fixed assets utilized in trust funds are reported in the trust funds. Fixed assets other than those accounted for in the proprietary funds and trust funds are general fixed assets. General fixed assets belong to the state government as an instrumentality, and are not accounted for in the governmental funds. They may be acquired by gift or by expenditure from several sources and funds. General fixed assets are reported in the General Fixed Assets Account Group.

Fixed assets are reported at cost or estimated cost if the original cost is not determinable. Donated fixed assets are reported at their estimated fair market value at the time received. Land costs include 1,394,072 acres of forest and other lands valued at one dollar per acre. Leased property is reported at the remaining unamortized value.

Roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are normally immovable and of value only to the governmental unit. These fixed assets, including the statewide highway system, are excluded from this report. Oregon's airports, however, are included in the Land, Buildings and Improvements category.

Fixed assets costing less than $100 are excluded unless an agency has elected to include them in their property records for control purposes.

Some of the buildings, such as the one occupied by the Employment Division, were either paid for or are being leased utilizing, at least in part, federal funds which may create a federal equity in the property. Any federal equities in the State's fixed assets cannot be determined at this time and are not reflected in the following financial statements.

j. Depreciation and Amortization

The recording of depreciation or amortization of fixed assets of proprietary funds (Enterprise Funds and Internal Service Funds) is required and is included in those funds in this report.

Any generally accepted method of computing depreciation that an agency is required to use to meet requirements of the federal government or other organization for rate determination or cost recovery purposes is acceptable; otherwise, one of the two following methods is required:

Straight-line Depreciation which provides for the distribution of the cost evenly over the life of the buildings or equipment.

Working Hour Method which provides for the distribution of costs over the estimated useful hours or days of a piece of equipment.

Amortization is a systematic reduction of the intangible property value over the life of the property or period of the lease, whichever is shorter. Intangible assets classified as leased property include leasehold improvements and capital leases where the lease does not provide for a change in ownership.

k. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "memo only" to indicate that they are presented only for use in financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation of funds. Interfund eliminations have not been reflected in these columns.

2. Cash and Pooled Investments

This account represents cash on deposit with the State Treasurer. The State Treasury, acting as a bank, invests the deposited moneys in various cash items, short-term receivables and long-term investments. An analysis of this account and a list of the investments by classification appears in the Supplemental Information section.

3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	(Expressed in Thousands)		
	Balance 7-1-82	Net Change	Balance 6-30-83
Land, Buildings and Improvements	$1,015,052	$(290,409)	$724,643
Construction in Process	3,400	3,492	6,892
Equipment and Machinery	308,026	39,345	347,371
Leased Property	820	(55)	765
Total	$1,327,298	$(247,627)	$1,079,671

A $303,000 thousand change in land occurred with the elimination of infrastructure assets included as of July 1, 1982.

4. Summary of Proprietary Fund Fixed Assets

A summary of proprietary fund fixed assets at June 30, 1983, follows:

	Enterprise	Internal Service
Land, Buildings, and Improvements	$55,639	$63,767
Construction in Process	5,910	1,403
Equipment and Machinery	12,865	97,123
Leased Property	8	2,152
Less: Allowance for Depreciation	(38,588)	(70,833)
Net	$35,834	$93,612

5. Pension Plan for State Employes

Pursuant to Oregon Revised Statutes Chapter 237, after six months trial service with the State of Oregon, all employes must belong to the Oregon Public Employes Retirement System. The Oregon Public Employes Retirement System collects contributions from both employers and employes for the purpose of funding retirement benefits (called "retirement allowances"). The system covers approximately 126,500 State and local government Oregon employes and 37,500 retired employes or their beneficiaries. The system is administered by the Oregon Public Employe Retirement Board.

Employe contributions are used to fund a pension portion of retirement allowances. The pension portion is based on a statutory formula and is set according to employe's final average salary and term of service. The pension portion of the allowance is paid exclusively out of interest and principal accumulations from employer contributions.

The system's pension program is a defined benefit plan, and requires periodic actuarial review. Under ORS 237, this review must be performed at least every four years. An actuarial evaluation is presently being conducted as of December 31, 1982, and will be completed in September, 1983.

In 1981, the State went to a formula pension. The method used in the valuation is called the "entry age cost method."

Under the entry age cost method, the normal costs for a member are assumed to be paid from hire to retirement, death or termination of employment. They are also assumed to earn interest as they accumulate as part of the fund. The aggregate of all past normal costs accumulated to the valuation date is called the "supplemental present value".

Benefit improvements, actuarial gains and losses, and changes in actuarial procedures will affect the supplemental present value. For most employers, the supplemental present value exceeds current available assets. The difference is called the unfunded supplemental present value. This amount is often described as the "unfunded liability".

Under this actuarial cost method a large portion of the unfunded supplemental present value is used to meet expected increases in benefits arising from future salary increases Another substantial portion is allocated to pay for the excess of the value of unaccrued benefits over the "normal cost" contributions which will be made to fund them. The unfunded supplemental present value is determined for the purpose of spreading costs in an orderly fashion, and not to determine a liability at any point in time.

The most recent actuarial valuation of PERS (as of December 31, 1979) indicated that there was an unfunded liability for benefits due current employe participants in the plan. That unfunded liability for the State of Oregon as of December 31, 1979, the latest date for which such information is available from the Retirement Board, was $36,700,000 after taking into account PERS assets allocated to the State of Oregon of $224,100,000. In order to liquidate the unfunded liability over a 30-year period, and adequately fund present benefits provided by the plan, an adjustment in employer contribution rates was determined by the Board to be necessary. The present value of nonforfeitable benefits as presented in PERS financial statements as of December 31, 1980, is $90,500,000.

The pension plan activities are included in the fiduciary funds. Accounting according to the actuarial process results in a $284,777 thousand deficit in the unreserved fund balance of the pension trust fund.

The employer contribution rate adopted by the PERS Board for State agencies became 10.55% on July 1, 1980, increased to 11.01% January 1, 1982, 11.62% on January 1, 1983, and will increase to 12.23% on January 1, 1984.

STATE OF OREGON
OREGON PUBLIC EMPLOYES RETIREMENT SYSTEM

Year	State Contribution To Fund	Percent Increase	Number Active State Members	Percent Increase
1967	$ 4,753,792	--	27,007	--
1968	$ 5,580,723	17.40%	27,141	.50%
1969	$10,798,679	93.50	27,773	2.33
1970	$11,931,387	10.49	28,735	3.45
1971	$13,061,551	9.47	29,822	3.78
1972	$14,088,263	7.86	30,621	2.68
1973	$21,735,491	54.28	31,014	1.28
1974	$23,910,839	10.01	33,099	6.72
1975	$28,059,467	17.35	35,191	6.32
1976	$32,943,567	17.41	35,111	-.23
1977	$36,425,539	10.57	35,951	2.39
1978	$42,270,175	16.05	36,172	.61
1979	$52,689,213	24.60	36,757	1.61
1980	$63,896,322	21.27	37,935	3.20
1981	$73,555,141	15.12	37,604	-.87
1982	$80,371,732	9.27	36,949	-1.74

Source: Oregon Public Employes Retirement System

6. Deferred Compensation

A deferred compensation program was authorized under IRC 457 and ORS 243.400 to 243.495. It is a benefit available to all state employes wherein they may execute an individual agreement with the state for amounts earned by them to be paid at a future date. Participants in the program are not required to pay federal and state income taxes on the deferred earnings until it is received. Participants cannot receive the funds until certain circumstances are met. These circumstances are termination by reason of death; disability; resignation; or retirement. Payments may be made over a period not to exceed the life expectancy of the participant and/or spouse.

Moneys accumulated by the State under its deferred compensation plan have been transferred to the Executive Department for deposit with various financial institutions and insurance companies. These deposits are not subject to the collateral requirements of Oregon Law.

Deferred compensation activities are included in the fiduciary funds.

7. Employe Leave

It is the State's policy to record the cost of employe leave at the time that the leave is paid. State employes earn annual vacation leave ranging from 8 to 16 hours per month with a maximum leave accumulation of 250 hours per employe. The annual leave accumulations do not cause additional costs to the State until the employe terminates -- then the employe is paid for the amount of annual leave that has accrued in his payroll records. Liability for vacation leave accumulations based on current salary costs cannot be reasonably estimated.

Sick leave is earned at a rate of 8 hours per month with no limit on the maximum accumulation. The employe is paid when absent due to illness, injury, or a related family problem. Sick leave accumulations only cost the State of Oregon to the extent that amounts are paid to employes even though work is not performed during the period that the employe is absent from work. When the employe terminates, all sick leave accumulations are rescinded. When an employe retires, however, one-half of the value of his unused sick leave is used in computing retirement benefits.

Each employe may also be paid an additional 8 hours per year for any personal occurances that may cause him to be absent from work. This personal leave cannot accumulate from year to year.

Because of the variables (i.e. salary rate, leave accrual rate, etc.) involved in computing the employe leave for the State of Oregon, and the lack of any reporting method, we cannot determine the contingent liability at June 30, 1983.

8. Leases

Financial reporting and accounting procedures differ between operating leases and capital leases. Operating leases are rental agreements, and payments are chargeable as rent in the services and supplies expenditure/expense category. Capital leases are treated similar to purchases on contract. The property is capitalized at the present value when the lease is incurred and a corresponding liability is recorded.

The State has entered into various leases for buildings and equipment. Operating leases at June 30, 1983, included the following:

1. Building space including office and warehouse space - approximately 1,977,871 square feet at an average monthly rental of $1,013,900. (Average square feet cost = $.513)

2. Equipment and machinery rental and lease payment information was not determinable at the time of this report.

If the Oregon Legislature should disallow the necessary funding for particular leases, all lease agreements contain termination clauses which provide for cancellation of the lease at the end of a fiscal year. The liability for capital leases of real property is included in the financial report.

The minimum future lease payments for the next five years are:

Fiscal year ending	June 30, 1984	$10,434,424
	June 30, 1985	7,204,401
	June 30, 1986	5,392,918
	June 30, 1987	3,803,408
	June 30, 1988	2,736,986
Total		$29,572,137

Lease obligations decrease each year because of lease expirations. It is expected these leases will be replaced with leases which have higher rental rates due to inflationary pressures.

9. Long-term Debt

SUMMARY OF CHANGES IN BONDED DEBT
OUTSTANDING

(Expressed in Thousands)

	BONDS OUTSTANDING July 1, 1982	DEBT INCURRED DUR. YEAR	DEBT REDUCED DUR. YEAR	BONDS OUTSTANDING June 30, 1983
General Obligation Bonds				
General Fund Obligations				
Oregon Forest Rehabilitation Bonds	$ 350	$ -	$ 225	$ 125
Community College Bonds	37,560	-	1,205	36,355
Higher Education Facilities Bonds	64,128	-	2,168	61,960
Pollution Control Bonds	129,400	27,500	6,000	150,900
Total General Fund Obligations	$ 231,438	$ 27,500	$ 9,598	$ 249,340
Dedicated Fund Obligations				
Oregon Veterans' Welfare Bonds	$5,117,000	$300,000	157,000	$5,260,000
Higher Education Project Bonds	89,838	-	3,979	85,859
Oregon State Highway Bonds	61,900	-	3,300	58,600
Elderly Housing Bonds	40,650	47,150	190	87,610
Water Resources Bonds	22,480	17,280	519	39,641
Alternate Energy Bonds	19,700	2,340	-	22,040
Total Dedicated Fund Obligations	$5,351,968	$366,770	$164,988	$5,553,750
Total General Obligation Bonds	$5,583,406	$394,270	$174,586	$5,803,090
Revenue Bonds				
Housing Bonds	385,435	$126,216	$ 15,140	$ 496,511
Total Obligation	$5,968,841	$520,486	$189,726	$6,299,601

Ninety million dollars tax exempt commercial paper of the Department of Veteran's Affairs is included under Accounts Payable in the Enterprise Funds. This short-term obligation is considered in determining the statutory limits on bonded debt obligations of Oregon.

STATE OF OREGON
SUMMARY OF GENERAL OBLIGATION DEBT SERVICE
June 30, 1983

(Expressed in Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL REQUIRED
1983-84	$ 211,614	$ 408,068	$ 620,682
1984-85	245,863	396,167	642,030
1985-86	247,063	381,248	628,311
1986-87	247,053	365,638	612,691
1987-88	253,104	351,505	604,609
1988-89	245,247	337,182	582,429
1989-90	257,467	323,533	581,000
1990-91	278,771	308,574	587,345
1991-92	276,085	289,913	565,998
1992-93	286,543	271,902	558,445
1993-94	289,344	253,505	542,849
1994-95	295,151	232,866	528,017
1995-96	295,751	211,066	506,817
1996-97	296,253	190,156	486,409
1997-98	286,351	168,722	455,073
1998-99	220,268	148,644	368,912
1999-00	210,064	130,624	340,688
2000-01	178,353	113,598	291,951
2001-02	178,771	98,409	277,180
2002-03	200,716	81,714	282,430
2003-04	148,395	66,845	215,240
2004-05	128,307	54,807	183,114
2005-06	106,035	43,975	150,010
2006-07	106,333	34,235	140,568
2007-08	105,472	24,467	129,939
2008-09	65,596	16,002	81,598
2009-10	16,900	11,918	28,818
2010-11	4,575	10,844	15,419
2011-12	4,160	10,340	14,500
2012-13	71,655	7,210	78,865
2013-14	3,335	4,112	7,447
2014-15	1,770	3,848	5,618
2015-16	1,970	3,670	5,640
2016-17	2,195	3,472	5,667
2017-18	2,440	3,252	5,692
2018-19	2,715	3,008	5,723
2019-20	3,025	2,736	5,761
2020-21	3,370	2,432	5,802
2021-22	11,350	2,094	13,444
2022-23	4,185	1,089	5,274
2023-24	4,655	669	5,324
2024-25	4,820	224	5,044
TOTALS	$5,803,090	$5,375,283	$11,178,373

9. Long-Term Debt (continued)

HOUSING DIVISION
SUMMARY OF REVENUE BOND DEBT SERVICE
June 30, 1983

(Expressed in Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL REQUIRED
1983-84	$ 17,315	$ 38,993	$ 56,308
1984-85	20,605	38,348	58,953
1985-86	21,405	37,099	58,504
1986-87	20,270	35,817	56,087
1987-88	16,745	34,578	51,323
1988-89	16,235	33,483	49,718
1989-90	15,705	32,394	48,099
1990-91	15,545	31,294	46,839
1991-92	14,980	30,187	45,167
1992-93	14,680	29,083	43,763
1993-94	14,215	27,982	42,197
1994-95	14,315	26,863	41,178
1995-96	18,045	25,543	43,588
1996-97	18,878	23,964	42,842
1997-98	20,034	22,239	42,273
1998-99	13,854	20,742	34,596
1999-00	14,539	19,497	34,036
2000-01	15,283	18,171	33,454
2001-02	16,067	16,762	32,829
2002-03	16,895	15,265	32,160
2003-04	17,798	13,670	31,468
2004-05	18,809	11,967	30,776
2005-06	19,915	11,775	31,690
2006-07	17,855	11,917	29,772
2007-08	18,271	10,830	29,101
2008-09	18,353	13,321	31,674
2009-10	20,232	15,627	35,859
2010-11	10,200	14,500	24,700
2011-12	8,267	13,746	22,013
2012-13	6,490	13,158	19,648
2013-14	4,327	12,669	16,996
2014-15	384	6,208	6,592
TOTALS	$496,511	$707,692	$1,204,203

10. Interfund Receivables and Payables

A summary of interfund receivables and payables at June 30, 1983, follows:

	(Expressed in Thousands) Receivables	Payables
General Fund	$225,238	$16,920
Special Revenue Funds	59,449	39,530
Debt Service Funds	107	5,386
Capital Projects Funds	764	65
Enterprise Funds	397	4,020
Internal Service Funds	365	5,177
Trust and Agency Funds	24,105	239,327
Total	$310,425	$310,425

11. Unemployment Benefits

State departments are subject to the Department of Employment Act. State employes who qualify are entitled to benefit payments during periods of unemployment. Each state department is required to reimburse the Employment Division for benefit payments made to their former employes. There appears to be no practical method of estimating the amount of future benefit payments which may be made to former employes for wage credits earned prior to June 30. Consequently, this potential obligation is not included in the accompanying financial statements.

12. Insurance

The Risk Management Division of the Department of General Services administers property and casualty insurance programs for state agencies. The following statewide insurance coverages are provided to all state agencies:

Property Insurance

The Restoration Fund established under ORS 278.020 provides a self insurance program for loss or damage to state property caused by specified perils. A commercial reinsurance policy with limits of $200 million provides financial stability to the fund in the event of catastrophic losses. The reinsurance policy requires a deductible of $10,000 for each and every loss plus an annual aggregate deductible of $3 million (amount of each loss in excess of $10,000 applies) before indemnification is provided.

Liability Insurance

The Liability Fund established under ORS 278.100 provides a self insurance program for Tort liability claims brought against the State, its officers, employes and agents under ORS 30.260 to ORS 30.300. Self insurance coverage is also provided for vehicle liability arising out of the use of owned, leased or controlled vehicles.
ORS 30.270 limits the liability of the State and its officers, employes and agents to:

1. $50,000 to any claimant for any number of claims for damage to or destruction of property, including consequential damages arising out of single accident or occurrence.

2. $100,000 to any claimant for all other claims arising out of a single accident or occurrence.

3. $300,000 for any number of claims arising out of a single accident or occurrence.

A commercial reinsurance policy with limits of $25 million provides financial stability to the Liability Fund. The reinsurance policy applies to all liability claims including those not subject to the liability limits of ORS 30.270. A deductible of $10,000 for each claim plus an annual aggregate deductible of $3 million (amount of loss in excess of $10,000 applies) is required before indemnification is provided.

Blanket Honesty and Faithful Performance Bond

All employes, including elected officials and members of boards and commissions are covered. The current bond provides indemnity limits of $100,000 per employe plus $5 million per occurrence. Additional per employe limits of from $100,000 to $300,000 are provided for the State Treasurer's office, the Director of the Department of Transportation, and employes of the State Fair and Exposition Center.

Various specific insurance policies are purchased when an agency has a particular insurance requirement not covered by the statewide insurance program.

The long-term liabilities of the Internal Service Fund include $11,739 thousand reported insurance claims, unreported (but anticipated) claims, and legal expense relative to the claims. The estimate for unreported claims was determined using historical data of the insurance industry and recommended by a casualty actuary.

13. Agency Fund Activities for the Year

(Expressed in Thousands)

Amount Carried Over From Prior Period		$4,510
Revenue		
Selective Sales and Use Taxes	$175,895	
Gross Receipts Business Taxes	3,946	
Employer-Employe Taxes	42,579	
Severance Taxes	46,686	
Other Taxes	9,729	
Business Licenses and Fees	1,622	
Nonbusiness Licenses and Fees	55,526	
Federal Revenues	53,520	
Charges for Services	5,040	
Fines and Forfeitures	5	
Sales Income	3,470	
Donations and Grants (Nonfederal)	324	398,342
Total Revenue		$402,852
Transfers and Distributions		
Transfer-Out - Interfund		$9,851
Transfers-Out - Other		220,734
Distributions to Cities		12,422
Distributions to Counties		159,632
Distributions to Nongovernmental Units		213
Total Transfers and Distributions		$402,852

14. Segment Information for Enterprise Funds

(Expressed in Thousands)

	COMMERCE	VETERAN'S AFFAIRS	STATE HOSPITALS	HIGHER EDUCATION	LIQUOR COMMISSION	ENERGY	WATER RESOURCES	ECONOMIC DEVELOPMENT	OTHER
Operating Revenue	$ 57,264	$ 372,701	$ 64,001	$ 62,770	$ 45,983	$ 2,742	$ 3,030	$ 601	$ 4,844
Depreciation and Amortization Expense	$ 6	$ 193	$ 2,149	$ -	$ 166	$ 1	$ 2	$ -	$ 514
Operating Income (Loss)	$ 9,020	$ (19,835)	$(13,623)	$ 3,311	$ 28,761	$ (147)	$ (337)	$ 509	$ (357)
Operating Grants, Entitlements	$ 392	$ -	$ -	$ 377	$ -	$ -	$ -	$ -	$ -
Operating Transfers-In (Out)	$ (4,785)	$ 11	$ 13,996	$ 136	$(31,664)	$ -	$(1,243)	$ -	$ 18
Tax Revenues	$ -	$ -	$ -	$ -	$ 12,324	$ -	$ -	$ -	$ -
Net Income (Loss)	$ 4,235	$ (19,824)	$ 373	$ 3,447	$ (2,903)	$ (147)	$(1,580)	$ 509	$ (339)
Plant, Property, and Equipment Additions	$ 2	$ 5,942	$ 1,752	$ -	$ 221	$ -	$ -	$ -	$ 24
Deletions	$ -	$ -	$ (34)	$ -	$ 16	$ -	$ -	$ -	$ -
Net Working Capital	$131,611	$ 158,470	$ 1,113	$ (560)	$ (2,942)	$ 1,074	$16,282	$ 407	$ 2,577
Bonds and Other Long-Term Liabilities Payable from Operations	$588,906	$5,260,000	$ 309	$ 85,859	$	$22,040	$39,641	$3,679	$ 54
Total Equity	$ 32,770	$ 101,379	$23,890	$(79,499)	$ 15,658	$ 344	$ 267	$2,838	$10,574

15. Contingent liability for pending lawsuits has not been determined at June 30, 1983.

"No Commitment" Bonds

The Economic Development Department issues industrial revenue bonds to finance construction of industrial facilities within the State of Oregon. The facility is leased or sold on installment contracts to the industrial users. Such facilities and related receipts from lease rentals and contract payments are pledged for payment of the bonds. The bonds are not a liability or contingent liability of the State or a lien on any of its properties or revenues other than the industrial facilities for which they are issued. Outstanding Industrial Development Revenue Bonds at June 30, 1983, and 1982, were $162,850 thousand and $143,254 thousand, respectively.

A similar type of revenue bonds are issued by Oregon Mass Transportation Financing Authority. Debt outstanding at June 30, 1983, and 1982, was $31,800 thousand and $16,955 thousand, respectively.

16. Subsequent events

The following debt has been incurred since June 30, 1983:

a. July 13, 1983 - $18,495 thousand - General Obligation Alternate Energy Project Bonds,

b. October 12, 1983 - $167,000 thousand - General Obligation Veteran's Tax Notes,

c. October 12, 1983 - $5,500 thousand - State Board of Higher Education Building Project Bonds.

On October 11, 1983, Water Resources $16,115 thousand bond issue was defeased. Securities necessary to retire the bonds were purchased and in the hands of a trustee on the above date.

17. Budgetary Activity - All Funds

Oregon's budgetary requirements do not parallel generally accepted accounting for funds. The following is a summary of all financial activity as it relates to Oregon's budgets. A reconciliation of this information with the Combined Statements is also included.

STATEMENT OF REVENUES - ESTIMATED AND ACTUALS
1981-83 BIENNIUM - ALL FUNDS

(Expressed in Thousands)

	YEAR ENDED JUNE 30 1982	YEAR ENDED JUNE 30 1983	ACTUALS 1981-83 BIENNIUM	1981-83 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
ALL FUNDS					
Income Taxes	$1,093,073	$1,319,803	$2,412,876	$2,387,324	$ 25,552
Selective Sales and Use Taxes	213,593	248,258	461,851	506,504	(44,653)
Gross Receipts Business Taxes	40,338	39,801	80,139	77,750	2,389
Employer - Employe Taxes	317,043	376,088	695,131	140,650	554,481
Inheritance and Gift Taxes	42,216	35,760	77,976	119,000	(41,024)
Severance Taxes	47,625	48,486	96,111	116,212	(20,101)
Other Taxes	6,845	12,768	19,614	11,340	8,274
Business Licenses and Fees	27,642	26,363	54,005	55,575	(1,570)
Nonbusiness Licenses and Fees	82,492	85,462	167,954	193,432	(25,478)
Federal Revenues	910,698	988,338	1,899,036	1,489,546	409,490
Charges for Services	464,000	524,738	988,738	679,408	309,330
Fines and Forfeitures	7,187	17,358	24,545	30,054	(5,509)
Rents and Royalties	21,937	16,746	38,683	37,564	1,119
Bond Sales	251,100	520,525	771,625	71,439	700,186
Interest Income	683,229	931,077	1,614,306	1,180,070	434,236
Sales Income	233,695	247,786	481,481	606,598	(125,117)
Cost of Goods Sold	(80,157)	(125,679)	(205,836)	(164,093)	(41,743)
Donations and Grants (Nonfederal)	36,225	35,458	71,683	4,348	67,335
Contributions	700,085	692,798	1,392,883	1,293,991	98,892
Loan Repayments	268,507	407,478	675,985	564,023	111,962
SAIF Assessment	-	81,000	81,000	81,000	-
Other Revenue	68,917	94,223	163,140	290,480	(127,340)
Loan Proceeds	4,785	-	4,785	-	4,785
Revenue Transfers (Net)	46,758	76,916	123,674	(1,030,939)	1,154,613
Total All Funds	$5,487,834	$6,703,551	$12,191,385	$8,741,276	$3,450,109
Allocation by Budget Authority					
General Fund	$1,294,534	$1,611,913	$2,906,447	$2,872,350	$ 34,097
Other Funds	2,321,132	1,915,048	4,236,180	4,751,772	(515,592)
Federal Funds	478,003	550,089	1,028,092	1,117,154	(89,062)
Nonlimited Funds	1,394,165	2,626,501	4,020,666	-	4,020,666
Total by Budget Authority	$5,487,834	$6,703,551	$12,191,385	$8,741,276	$3,450,109

STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES BY BUDGET AUTHORITY
1981-83 BIENNIUM - ALL FUNDS

(Expressed in Thousands)

	YEAR ENDED JUNE 30 1982	YEAR ENDED JUNE 30 1983	ACTUALS 1981-83 BIENNIUM	1981-83 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
State General Fund Expenditures					
Personal Services	$ 362,855	$ 342,682	$ 705,537	$ 710,898	$ 5,361
Services and Supplies	88,470	93,636	182,106	216,536	34,430
Capital Outlay	10,704	8,158	18,862	15,479	(3,383)
Special Payments	1,009,738	937,540	1,947,278	2,017,673	70,395
Debt Service	5,772	2,868	8,660	8,526	(134)
Total General Fund	$1,477,539	$1,384,904	$ 2,862,443	$2,969,112	$106,669
Other Fund Expenditures					
Personal Services	$ 418,665	$ 474,562	$ 893,227	$ 922,605	$ 29,378
Services and Supplies	439,940	437,581	877,521	997,776	120,255
Capital Outlay	23,098	35,938	59,036	118,804	59,768
Special Payments	42,327	82,108	124,435	150,400	25,965
Debt Service	9,512	11,877	21,389	20,937	(452)
Total Other Funds	$ 933,542	$1,042,066	$ 1,975,608	$2,210,522	$234,914
Federal Fund Expenditures					
Personal Services	$ 118,379	$ 118,280	$ 236,659	$ 236,817	$ 29,158
Services and Supplies	40,565	42,068	82,633	91,305	8,672
Capital Outlay	2,473	2,764	5,237	24,852	19,615
Special Payments	326,840	375,773	702,613	762,943	60,330
Total Federal Funds	$ 488,257	$ 538,885	$ 1,027,142	$1,144,917	$117,775
Nonlimited Fund Expenditures					
Personal Services	$ 95,283	$ 98,810	$ 194,093		
Services and Supplies	143,010	167,037	310,047		
Capital Outlay	9,811	8,603	18,414		
Special Payments	1,805,799	1,714,847	3,520,646		
Debt Service	575,489	627,050	1,202,539		
Other	3,133	24,276	27,409		
Total Nonlimited Funds	$2,632,525	$2,640,623	$ 5,273,148		
Total Expenditures	$5,531,863	$5,606,478	$11,138,341		

RECONCILIATION OF BUDGETARY REVENUE TO
REVENUE REPORTED IN THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1983

(Expressed in Thousands)

Budgetary Revenue - Fiscal Year Ended June 30, 1983 (Page 27)		$6,703,551
Deduct:		
Loan proceeds not included in revenue in Internal Service Fund	$ 11,531	
Proceeds from sale of bonds not included in revenue in Enterprise Fund	492,986	
Loan repayments not included in revenue:		
Enterprise Fund	355,678	
Fiduciary Fund	5,441	
Cost of assets sold offset against sales of equipment:		
Enterprise Fund	50	
Internal Service Fund	1,425	
Fiduciary Fund	92	
Net deduction because of differences in reporting budgetary revenue and revenue in Proprietary Funds	$867,203	
Revenue recorded during the year but charged to prior bienniums	(1,936)	
Accounting reclassification from expenditures (Offset in Expenditure Reconciliation)	117,923	
Total deductions		983,190
Adjusted budgetary revenue		$5,720,361
Revenue per Combined Financial Statements:		
Governmental Funds (Page 12)		$4,126,529
Proprietary Funds: (Page 14)		
Income		1,629,000
Transfers		(35,168)
Revenue per Combined Financial Statements		$5,720,361

RECONCILIATION OF BUDGETARY EXPENDITURES TO
EXPENDITURES AND EXPENSES REPORTED IN THE
COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1983

(Expressed in Thousands)

Budgetary expenditures - Fiscal Year Ended June 30, 1983 (Page 27)		$5,606,478
Deduct (Add):		
Loans made but not included in expenditures		
Enterprise Fund	$345,512	
Fiduciary Fund	7,314	
Principal payments on long-term debt not included in expenditures		
Enterprise Fund	176,937	
Internal Service Fund	2,915	
Adjust encumbrances:		
All Funds	(78,359)	
Adjustments to inventories:		
Enterprise Fund	1,820	
Internal Service Fund	(195)	
Capital outlay not included in expense:		
Enterprise Fund	7,941	
Internal Service Fund	13,192	
Fiduciary Fund	123	
Adjustment of prepaid expense:		
Enterprise Fund	(121)	
Internal Service Fund	30	
Depreciation not included in budgetary expenditures	(17,699)	
Net deduction because of differences in reporting budgetary expenditure and expenditures in Proprietary Funds	$459,410	
Expenditure adjustments recorded during the year but charged to prior bienniums	(21,660)	
Accounting reclassification from expenditures to Cost of Goods Sold (offset in revenue reconciliation)	117,923	
Total deductions		555,673
Adjusted budgetary expense		$5,050,805
Expenditures per Combined Financial Statements:		
Governmental Funds (Page 12)		$4,100,871
Proprietary Funds (Page 14)		949,934
Expenditures per Combined Financial Statements		$5,050,805

GENERAL FUND

The General Fund accounts for ordinary operations financed by appropriations from general revenues and used for general governmental purposes.

STATE OF OREGON
COMBINING BALANCE SHEET
GENERAL FUND

(Expressed in Thousands)

	AS OF JUNE 30, 1983	1982
ASSETS		
Cash and Pooled Investments	$(126,353)	$(257,447)
Investments - Treasury	149	39,602
Accounts Receivable	19	7
Interest Receivable	-	5,589
Interfund Receivables	225,238	91,503
Inventories	9,953	6,942
Contracts, Mortgages and Notes Receivable	4,101	6,111
Prepaid expenses	2	-
Total Assets	$ 113,109	$(107,693)
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$ 36,507	$ 40,457
Interfund Payables	16,920	5,500
Deferred Income	4,101	6,111
Total Liabilities	$ 57,528	$ 52,068
Fund Equity		
Reserve for Encumbrances	$ -	$ 14,688
Reserves - Other	28	-
Reserve for Inventories	9,953	6,942
Fund Balance - Unreserved	45,600	(181,391)
Total Fund Equity	$ 55,581	$(159,761)
Total Liabilities and Fund Equity	$ 113,109	$(107,693)

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINING STATEMENT OF REVENUES
GENERAL FUND

(Expressed in Thousands)

	FISCAL YEAR ENDED JUNE 30, 1983	1982
Revenue		
Income Taxes	$1,319,802	$1,093,073
Selective Sales and Use Taxes	58,657	39,940
Gross Receipts Business Taxes	31,790	32,913
Inheritance and Gift Taxes	35,759	42,216
Severance Taxes	1,800	1,744
Other Taxes	2,598	-
Business Licenses and Fees	4,302	4,181
Nonbusiness Licenses and Fees	1,577	2,500
Federal Revenues	131	131
Charges for Services	4,704	4,543
Fines and Forfeitures	11,034	5,052
Rents and Royalties	134	-
Interest Income	(572)	23,872
Sales Income	43,322	42,386
SAIF Assessment	81,000	-
Loan Repayments	2,418	-
Other Revenue	8,510	1,981
Total Revenue	$1,606,966	$1,294,532
Other Financing Sources (Uses)		
Transfers In (Out) Interfund	1,657	(8,608)
Net Revenue	$1,608,623	$1,285,924

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINING STATEMENT OF EXPENDITURES
GENERAL FUND

(Expressed in Thousands)

	FISCAL YEAR ENDED JUNE 30, 1983	1982
EXPENDITURES BY BUDGET CATEGORY		
Personal services	$ 342,681	$ 336,739
Services and supplies	94,982	89,584
Capital outlay	7,958	10,218
Special payments	950,652	1,051,181
Debt service	47	104
Total Expenditures	$1,396,320	$1,487,826
EXPENDITURES BY PROGRAM AREA		
Economic Development and Consumer Services	11,258	$ 14,116
Education	701,505	693,162
Human Resources	324,008	390,813
Natural Resources	19,076	19,379
Public Safety	38,902	42,775
Transportation	6,197	7,141
Administration and Support	250,032	298,165
Legislative	11,369	9,622
Judicial	33,973	12,653
Total Expenditures	$1,396,320	$1,487,826

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN GENERAL FUND EQUITY

(Expressed in Thousands)

Fund Equity - June 30, 1982		$(159,761)
Excess of 1982-1983 Expenditures over Revenues		
Revenues	$1,608,623	
Less Expenditures	1,396,320	212,303
Changes in Reserves		$ 52,542
Increase in Reserve for Inventories		3,011
Increase in Reserves - Other		28
Fund Equity - June 30, 1983		$ 55,581

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
GENERAL FUND

(Expressed in Thousands)

	YEAR ENDED JUNE 30, 1982	YEAR ENDED JUNE 30, 1983	ACTUALS 1981-83 BIENNIUM	1981-83 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue					
Income Taxes	$1,093,073	$1,319,802	$2,412,875	$2,387,323	$ 25,552
Selective Sales and Use Taxes	39,940	58,657	98,597	92,810	5,787
Gross Receipts Business Taxes	32,913	31,790	64,703	63,573	1,130
Inheritance and Gift Taxes	42,216	35,759	77,975	74,000	3,975
Severance Taxes	1,744	1,800	3,544	-	3,544
Other Taxes	-	2,598	2,598	4,590	(1,992)
Business Licenses and Fees	4,181	4,302	8,483	8,300	183
Nonbusiness Licenses and Fees	2,500	1,577	4,077	6,199	(2,122)
Federal Revenues	131	131	262	-	262
Charges for Services	4,543	4,704	9,247	9,133	114
Fines and Forfeitures	5,052	11,034	16,086	16,404	(318)
Rents and Royalties	-	134	134	-	134
Interest Income	23,872	(572)	23,300	23,300	-
Sales Income	42,386	43,322	85,708	83,276	2,432
Loan Repayments	-	2,418	2,418	-	2,418
SAIF Assessment	-	81,000	81,000	81,000	-
Other Revenue	1,981	8,510	10,491	22,441	(11,950)
Total Revenue	$1,294,532	$1,606,966	$2,901,498	$2,872,349	$ 29,149
Expenditures					
Personal Services	$ 362,844	$ 342,681	$ 705,525	$ 710,898	$ 5,373
Services and Supplies	88,239	93,618	181,857	216,472	34,615
Capital Outlay	10,270	8,072	18,342	14,567	(3,775)
Special Payments	1,009,737	937,540	1,947,277	2,017,673	70,396
Total Expenditures	$1,471,090	$1,381,911	$2,853,001	$2,959,610	$ 106,609
Excess (Deficiency) of Revenues over Budgeted Expenditures	$ (176,558)	$ 225,055	$ 48,497	$ (87,261)	$ 135,758
Other Financing Sources (Uses)					
Nonlimited Expenditures	(86)	(48)	(134)	-	(134)
Interfund Transfers-in (Out)	(6,347)	1,989	(4,358)	(9,500)	5,142
Excess (Deficiency) of Revenues over Expenditures and Other Uses	$ (182,991)	$ 226,996	$ 44,005	$ (96,761)	$ 140,766
Fund Equity, July 1, 1982		(159,761)			
Adjustments recorded during the year, but charged to prior biennia:					
Revenue		(332)			
Expenditures		327			
Increase (Decrease) in Reserves					
Encumbrances		(14,688)			
Inventories		3,011			
Other		28			
Fund Equity, June 30, 1983		$ 55,581			

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulations.

STATE OF OREGON
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS

(Expressed in Thousands)

	ECON. DEV. & CONSUMER SERVICES	EDUCATION	HUMAN RESOURCES	NATURAL RESOURCES
ASSETS				
Cash on Hand and in Banks	$ 4	$ 1	$ 15	$ 12
Cash and Pooled Investments	23,134	22,449	12,033	39,371
Investments - State Treasury	46,289	10,482	2,130	-
Investments - Other	-	21	-	-
Securities Held in Trust	-	-	-	232
Advances Receivable	265	-	85	23
Interest Receivable	648	473	54	39
Accounts Receivable	1,282	35,660	40,317	9,963
Interfund Receivables	921	6,955	18,217	3,891
Inventories	1,105	4,291	850	5,803
Prepaid Expenses	26	2,313	159	547
Contracts, Notes, and Mortgages Receivable	568	12,818	6,700	187,749
Total Assets	$ 74,242	$95,463	$80,560	$247,630
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts and Interest Payable	$ 12,949	$31,690	$32,369	$ 14,187
Interfund Payables	810	264	28,948	4,231
Trust Funds Payable	-	1,356	77	287
Deferred Income	1,962	22,165	8,155	194,910
Total Liabilities	$ 15,721	$55,475	$69,549	$213,615
Fund Equity				
Reserve for Encumbrances	$ -	$ -	$ -	$ -
Reserve for Inventories	1,105	4,291	850	5,803
Reserve for Revolving Accounts	194	8	228	125
Reserves - Other	16	53	159	11
Fund Balance - Unreserved	57,206	35,636	9,774	28,076
Total Fund Equity	$ 58,521	$39,988	$11,011	$ 34,015
Total Liabilities and Fund Equity	$ 74,242	$95,463	$80,560	$247,630

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

PUBLIC SAFETY	TRANSPORTATION	ADMIN. & SUPPORT SERVICES	LEGISLATIVE	JUDICIAL	AS OF JUNE 30, 1983	AS OF JUNE 30, 1982
$ 5	$ 48	$ -	$ -	$ -	$ 85	$ 88
2,401	83,971	4,465	1,580	(9,305)	180,099	153,963
-	-	-	-	-	58,901	76,569
-	-	-	-	-	21	22
-	-	-	-	-	232	10,156
13	5	3	-	-	394	1,958
-	140	-	-	-	1,354	1,160
123	15,170	126	7	29	102,677	63,512
542	17,504	1	-	11,418	59,449	40,596
87	9,363	51	127	474	22,151	15,387
-	-	-	-	-	3,045	2,335
-	11,078	-	-	-	218,913	185,956
$3,171	$137,279	$4,646	$1,714	$ 2,616	$ 647,321	$551,702
$1,084	$ 40,875	$ 358	$ 72	$ 56	$ 133,640	$ 28,157
283	3,118	5	-	1,871	39,530	19,659
1	658	174	-	-	2,553	12,091
-	11,079	2,066	-	-	240,337	204,848
$1,368	$ 55,730	$2,603	$ 72	$ 1,927	$ 416,060	$264,755
$ -	$ -	$ -	$ -	$ -	$ -	$ 53,725
87	9,363	51	127	474	22,151	15,387
87	850	5	-	-	1,497	1,418
-	-	-	-	-	239	149
1,629	71,336	1,987	1,515	215	207,374	216,268
$1,803	$ 81,549	$2,043	$1,642	$ 689	$ 231,261	$286,947
$3,171	$137,279	$4,646	$1,714	$ 2,616	$ 647,321	$551,702

STATE OF OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY
SPECIAL REVENUE FUNDS

(Expressed in Thousands)

	ECONOMIC DEV. & CONSUMER SERV.	EDUCATION	HUMAN RESOURCES
Revenue			
Selective Sales and Use Taxes	$ -	$ -	$ -
Gross Receipts Business Taxes	4,064	-	-
Employer - Employe Taxes	93,155	-	10,581
Business Licenses and Fees	11,842	452	5,416
Nonbusiness Licenses and Fees	31	-	2,430
Federal Revenues	16,916	158,693	474,151
Charges for Services	4,703	181,119	6,038
Fines and Forfeitures	504	262	-
Rents and Royalties	6	485	-
Interest Income	4,413	3,806	177
Sales Income (Net)	-	926	-
Donations and Grants (Nonfederal)	-	33,528	95
Loan Repayments	-	919	-
Other Revenue	1,003	12,801	-
Total Revenue	$136,637	$392,991	$498,888
Other Financing Sources (Uses)			
Bond Sales	$ -	$ -	$ -
Transfers-In (Out) - Interfund	8,483	448,701	430,406
Transfers to Cities	(7)	-	-
Transfers to Counties	(84)	-	-
Transfers to Others	(8)	-	(198)
Total Other Financing Sources (Uses)	$ 8,384	$448,701	$430,208
Total Revenue and Other Financing Sources (Uses)	$145,021	$841,692	$929,096
Expenditures			
Personal Services	$ 43,490	$219,573	$108,629
Services and Supplies	77,223	98,499	46,360
Capital Outlay	1,108	8,912	2,422
Special Payments	24,540	531,885	313,428
Debt Service	-	361	-
Nonlimited	493	276	466,129
Total Expenditures	$146,854	$859,506	$936,968
Excess Revenue Over Expenditures	$ (1,833)	$(17,814)	$ (7,872)
Fund Equity - Beginning	59,983	58,105	18,854
Increase in Reserves for Inventories	323	(332)	(95)
Increase in Reserves for Revolving Accounts	32	-	74
Increase in Reserves - Other	16	29	34
Prior Period Adjustments	-	-	16
Fund Equity - June 30, 1983	$ 58,521	$ 39,988	$ 11,011

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

NATURAL RESOURCES	PUBLIC SAFETY	TRANSPORTATION	ADMIN & SUPPORT SERVICES	LEGISLATIVE	JUDICIAL	FISCAL YEAR ENDED JUNE 30, 1983	1982
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,420
-	-	-	-	-	-	4,064	3,720
-	-	-	-	-	-	103,736	128,166
1,213	175	-	27	-	-	19,125	15,540
19,825	-	3,819	922	-	-	27,027	31,462
19,546	532	174,979	1,556	-	-	846,373	636,140
9,858	8,923	32,685	480	23	354	244,183	217,426
61	2	1,670	-	2	13,215	15,716	1,798
-	386	-	-	334	-	1,211	3,862
25	7	10,308	-	-	-	18,736	24,111
28,109	168	830	117	404	341	30,895	38,716
2	-	-	4	-	46	33,675	33,644
-	-	-	-	-	-	919	(18)
6,377	(46)	584	59	-	6	20,784	37,148
$ 85,016	$10,147	$224,875	$ 3,165	$ 763	$ 13,962	$1,366,444	$1,173,135
$ 27,500	$ -	$ -	$ -	$ -	$ -	$ 27,500	$ (568)
30	1,952	213,957	7,015	142	(10,065)	1,100,621	1,007,771
(15,728)	-	(24,229)	-	-	-	(39,964)	(19,919)
-	-	(39,957)	-	-	(3,149)	(43,190)	(53,045)
(1,601)	-	-	-	-	-	(1,807)	(6,637)
$ 10,201	$ 1,952	$149,771	$ 7,015	$ 142	$(13,214)	$1,043,160	$ 927,602
$ 95,217	$12,099	$374,646	$10,180	$ 905	$ 748	$2,409,604	$2,100,737
$ 34,273	$ 6,236	$103,408	$ 2,354	$ 110	$ 639	$ 518,712	$ 493,325
28,851	3,740	279,774	1,857	632	237	537,173	454,320
1,910	777	873	42	11	16	16,071	15,475
44,775	643	10,329	5,676	-	-	931,276	854,977
-	-	-	-	-	-	361	542
15	-	1,734	-	-	-	468,647	427,269
$109,824	$11,396	$396,118	$ 9,929	$ 753	$ 892	$2,472,240	$2,245,908
$(14,607)	$ 703	$(21,472)	$ 251	$ 152	$ (144)	$ (62,636)	$ (145,171)
48,487	2,616	94,498	2,105	1,466	833	286,947	430,356
124	(1,516)	8,523	(287)	24	-	6,764	2,013
-	-	-	(26)	-	-	80	252
11	-	-	-	-	-	90	(503)
-	-	-	-	-	-	16	-
$ 34,015	$ 1,803	$ 81,549	$ 2,043	$ 1,642	$ 689	$ 231,261	$ 286,947

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SPECIAL REVENUE FUND

(Expressed in Thousands)

	YEAR ENDED JUNE 30, 1982	YEAR ENDED JUNE 30, 1983	ACTUAL 1981-83 BIENNIUM	1981-83 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue					
Selective Sales and Use Taxes	$ 1,419	$ (978)	$ 441	$ 445	$ (4)
Gross Receipts Business Taxes	3,720	4,064	7,784	7,056	728
Employer-Employe Taxes	31,059	54,476	85,535	66,487	19,048
Business Licenses and Fees	18,785	18,726	37,511	43,011	(5,500)
Nonbusiness Licenses and Fees	26,995	27,721	54,716	63,963	(9,247)
Federal Revenue	665,747	758,381	1,424,128	1,475,518	(51,390)
Charge for Services	209,552	246,298	455,850	441,618	14,232
Fines and Forfeitures	1,941	6,251	8,192	2,649	5,543
Rents and Royalties	3,403	1,892	5,295	5,341	(46)
Interest Income	14,888	9,458	24,346	22,376	1,970
Sales Income (Net)	32,894	29,813	62,707	88,464	(25,757)
Donations and Grants (Nonfederal)	2,323	2,336	4,659	3,586	1,073
Bond Sales	-	27,500	27,500	71,438	(43,938)
Other Revenue	30,774	26,559	57,333	48,780	8,553
Total Revenue	$ 1,043,500	$ 1,212,497	$ 2,255,997	$2,340,732	$ (84,735)
Expenditures					
Personal Services	$ 436,775	$ 458,405	$ 895,180	$ 943,763	$ 48,583
Services and Supplies	391,206	389,500	780,706	883,035	102,329
Capital Outlay	11,495	11,815	23,310	21,770	(1,540)
Special Payments	358,819	446,200	805,019	888,646	83,627
Total Expenditures	$ 1,198,295	$ 1,305,920	$ 2,504,215	$2,737,214	$ 232,999
Excess (Deficiency) of Revenues Over Budgeted Expenses	$ (154,795)	$ (93,423)	$ (248,218)	$ (396,482)	$ 148,264
Other Financing Sources (Uses)					
Nonlimited Expenditures	(1,023,589)	(1,103,580)	(2,127,169)	-	(2,127,169)
Nonlimited Revenue	1,013,975	1,069,794	2,083,769	-	2,083,769
Interfund Transfers	240,667	228,846	469,513	573,739	(104,226)
Transfers to Counties and Cities	(73,821)	(84,963)	(158,784)	(171,335)	12,551
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ 2,437	$ 16,674	$ 19,111	$ 5,922	$ 13,189
Fund Equity, July 1, 1982		286,947			
Transactions Recorded During the Year But Charged to Prior Bienniums					
Revenue		(16,570)			
Expenditures		(9,015)			
Increase (Decrease) in Reserves					
Inventories		6,764			
Revolving Accounts		80			
Other		90			
Encumbrances		(53,725)			
Prior Period Adjustments		16			
Fund Equity, June 30, 1983		$ 231,261			

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for and the payment of interest and principal on long-term debt other than special assessment and revenue bonds.

STATE OF OREGON
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS

(Expressed in Thousands)

	CUSTODIAL STATE TREASURY	COMMUNITY COLLEGE & ED. CENTER
ASSETS		
Cash and Pooled Investments	$ 164	$293
Cash with Fiscal Agent	2,744	-
Investments - State Treasury	-	-
Accounts Receivable	-	-
Interest Receivable	-	1
Interfund Receivable	-	1
Total Assets	$2,908	$295
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$ -	$291
Interfund Payable	-	-
Matured Bonds Payable	2,908	-
Deferred Income	-	-
Total Liabilities	$2,908	$291
Fund Equity		
Fund Balance - Unreserved	$ -	$ 4
Total Fund Equity	$ -	$ 4
Total Liabilities and Fund Equity	$2,908	$295

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

BOND ISSUE				AS OF JUNE 30,	
OREGON FOREST REHAB.	OREGON POLLUTION CONTROL	OREGON STATE HIGHWAY	HIGHER EDUCATION FACILITIES	1983	1982
$56	$19,871	$ -	$ 1,401	$21,785	$ 8,668
-	-	-	-	2,744	2,871
-	10,054	-	26,799	36,853	51,480
-	-	-	36	36	-
-	2,874	-	313	3,188	1,378
-	-	106	-	107	5,169
$56	$32,799	$ 106	$28,549	$64,713	$69,566
$ -	$ 14	$ 1,861	$ -	$ 2,166	$ -
-	-	5,386	-	5,386	5,151
-	-	-	-	2,908	2,900
-	-	-	169	169	40
$ -	$ 14	$ 7,247	$ 169	$10,629	$ 8,091
$56	$32,785	$(7,141)	$28,380	$54,084	$61,475
$56	$32,785	$(7,141)	$28,380	$54,084	$61,475
$56	$32,799	$ 106	$28,549	$64,713	$69,566

STATE OF OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY
DEBT SERVICE FUNDS

(Expressed in Thousands)

	COMMUNITY COLLEGE & ED. CENTER	OREGON FOREST REHAB.
Revenue		
Selective Sales and Use Taxes	$ -	$ -
Federal Revenues	-	-
Charges for Services	-	-
Rents and Royalties	-	-
Interest Income	24	14
Sales Income	-	-
Loan Repayments	-	2
Other Income	-	-
Total Revenue	$ 24	$ 16
Other Financing Sources (Uses)		
Transfers-In - Interfund	$ 22	$ -
Transfers From General Fund	3,018	81
Transfers-Out - Interfund	15	-
Transfers-Out - Other	-	-
Total Other Financing Sources (Uses)	$ 3,055	$ 81
Net Revenue	$ 3,079	$ 97
Expenditures		
Services and Supplies	$ -	$ -
Debt Service		
Principal	1,205	225
Interest	2,021	11
Other	-	(100)
Total Expenditures	$ 3,226	$ 136
Excess Revenue Over Expenditures	$ (147)	$ (39)
Fund Equity - Beginning	151	95
Fund Equity - Ending	$ 4	$ 56

Prepared without audit - see Letter of Transmittal for comments.

The notes to the financial statements are an integral part of this report.

BOND ISSUE			FISCAL YEAR ENDING JUNE 30,	
OREGON POLLUTION CONTROL	OREGON STATE HIGHWAY	HIGHER EDUCATION	1983	1982
$ -	$ 2,360	$ -	$ 2,360	$ -
-	-	205	205	205
(4)	-	2,292	2,288	2,425
-	-	20	20	21
11,440	-	3,874	15,352	19,731
-	-	-	-	8
3,012	-	-	3,014	3,419
-	-	1,346	1,346	667
$14,448	$ 2,360	$ 7,737	$ 24,585	$26,476
$ -	$ 4,590	$ 13,354	$ 17,966	$30,446
-	-	-	3,099	3,382
-	(5,386)	(10,693)	(16,064)	(15,553)
-	(1,861)	-	(1,861)	-
$ -	$ (2,657)	$ 2,661	$ 3,140	$18,275
$14,448	$ (297)	$ 10,398	$ 27,725	$44,751
$ 57	$ -	$ 16	$ 73	$ (61)
6,000	3,300	2,168	12,898	15,347
8,385	3,544	8,280	22,241	20,386
4	-	-	(96)	413
$14,446	$ 6,844	$ 10,464	$ 35,116	$36,085
$ 2	$ (7,141)	$ (66)	$ (7,391)	$ 8,666
32,783	-	28,446	61,475	52,809
$32,785	$ (7,141)	$ 28,380	$ 54,084	$61,475

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
DEBT SERVICE FUND

(Expressed in Thousands)

	YEAR ENDED JUNE 30, 1982	1983	ACTUAL 1981-83 BIENNIUM	1981-83 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue					
Selective Sales and Use Taxes	$ -	$ 2,360	$ 2,360	$ 2,735	$ (375)
Total Revenue	$ -	$ 2,360	$ 2,360	$ 2,735	$ (375)
Expenditures					
Debt Service	$ 12,698	$ 9,684	$ 22,382	$ 22,422	$ 40
Total Expenditures	$ 12,698	$ 9,684	$ 22,382	$ 22,422	$ 40
Excess (Deficiency) of Revenues Over Budgeted Expenditures	$(12,698)	$ (7,324)	$(20,022)	$(19,687)	$ (335)
Other Financing Sources (Uses)					
Nonlimited Revenues	26,247	22,225	48,472	-	48,472
Nonlimited Expenditures	(23,083)	(25,429)	(48,512)	-	(48,512)
Transfers-In (Out) - Interfund	21,963	3,140	25,103	22,422	2,681
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ 12,429	$ (7,388)	$ 5,041	$ 2,735	$ 2,306
Fund Equity, July 1, 1982		61,475			
Adjustments Recorded During the Year But Charged to Prior Biennium					
Revenue		-			
Expenditures		(3)			
Fund Equity, June 30, 1983		$ 54,084			

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by Proprietary, Special Assessment, and Trust Funds.

STATE OF OREGON
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND

(Expressed in Thousands)

	ECONOMIC DEV. & CONSUMER SERV.	EDUCATION
ASSETS		
Cash and Pooled Investments	$(126)	$ 7,241
Investments - State Treasury	-	15,548
Investments - Other	-	171
Securities Held in Trust	-	-
Receivables	-	351
Interfund Receivables	146	56
Total Assets	$ 20	$23,367
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$ 20	$ 741
Interfund Payable	-	64
Trust Funds Payable	-	-
Total Liabilities	$ 20	$ 305
Fund Equity		
Reserve for Encumbrances	$ -	$ -
Fund Balance - Unreserved	-	22,562
Total Fund Equity	$ -	$22,562
Total Liabilities and Fund Equity	$ 20	$23,367

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

HUMAN RESOURCES	NATURAL RESOURCES	PUBLIC SAFETY	TRANSPORTATION	ADMINISTRATION & SUPPORT SERVICES	AS OF JUNE 30, 1983	1982
$(153)	$ 6	$ 65	$(13)	$3,833	$10,853	$ 9,242
-	-	-	-	-	15,548	24,322
-	-	-	-	-	171	148
-	-	-	-	-	-	671
-	-	180	35	-	566	1,279
-	-	-	-	562	764	197
$(153)	$ 6	$245	$ 22	$4,395	$27,902	$35,859
$ 77	$ 6	$ 10	$ 18	$ 789	$ 1,661	$ 266
-	1	-	-	-	65	63
-	-	-	-	-	-	671
$ 77	$ 7	$ 10	$ 18	$ 789	$ 1,726	$ 1,000
$ -	$ -	$ -	$ -	$ -	$ -	$ 3,740
(230)	(1)	235	4	3,606	26,176	31,119
$(230)	$(1)	$235	$ 4	$3,606	$26,176	$34,859
$(153)	$ 6	$245	$ 22	$4,395	$27,902	$35,859

STATE OF OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY
CAPITAL PROJECTS FUNDS

(Expressed in Thousands)

	ECONOMIC DEV. & CONSUMER SERV.	EDUCATION
Revenue		
Federal Revenues	$ -	$ 717
Rents and Royalties	-	14
Interest Income	-	1,266
Donations and Grants (Nonfederal)	-	154
Other Revenue	-	2,355
Total Revenue	$ -	$ 4,506
Expenditures		
Personal Services	$ 13	$ 7
Services and Supplies	6	3,050
Capital Outlay	99	12,770
Special Payments	-	-
Total Expenditures	$ 118	$ 15,827
Excess Revenue Over Expenditures	$ (118)	$(11,321)
Other Financing Sources (Uses)		
Interfund Transfers	$ 76	$ 2,036
Proceeds from General Obligation Bonds	-	-
Total Other Financing Sources	$ 76	$ 2,036
Excess Revenue and Other Financing Sources Over Expenditures	$ (42)	$ (9,285)
Fund Equity - Beginning	42	31,847
Fund Equity - Ending	$ -	$ 22,562

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

HUMAN RESOURCES	NATURAL RESOURCES	PUBLIC SAFETY	TRANSPORTATION	ADMINISTRATION & SUPPORT	FISCAL YEAR ENDED JUNE 30, 1983	1982
$ -	$(1,288)	$ -	$141	$ -	$ (430)	$ 2,912
-	-	-	-	1,510	1,524	1,449
-	-	-	-	-	1,266	915
-	-	-	-	822	976	642
-	(486)	196	-	(51)	2,014	2,315
$ -	$(1,774)	$196	$141	$ 2,281	$ 5,350	$ 8,233
$ 70	$ 54	$ -	$ -	$ -	$ 144	$ 84
135	2,348	-	15	6,020	11,574	6,876
236	1,864	50	193	56	15,268	15,077
-	-	-	-	-	-	-
$ 441	$ 4,266	$ 50	$208	$ 6,076	$ 26,986	$ 22,037
$(441)	$(6,040)	$146	$(67)	$(3,795)	$ (21,636)	$ (13,804)
$ 190	$ 5,146	$ -	$ 2	$ 5,503	$ 12,953	$ 7,825
-	-	-	-	-	-	11,710
$ 190	$ 5,146	$ -	$ 2	$ 5,503	$ 12,953	$ 19,535
$(251)	$ (894)	$146	$(65)	$ 1,708	$ (8,683)	$ 5,731
21	893	89	69	1,898	34,859	29,128
$(230)	$ (1)	$235	$ 4	$ 3,606	$ 26,176	$ 34,859

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS

(Expressed in Thousands)

	YEAR ENDED JUNE 30 1982	YEAR ENDED JUNE 30 1983	ACTUAL 1981-83 BIENNIUM	1981-83 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue					
Federal Revenue	$ 2,904	$ (430)	$ 2,474	$ 1,910	$ 564
Rents and Royalties	1,448	1,510	2,958	2,934	24
Interest Income	913	1,266	2,179	-	2,179
Donations and Grants	641	155	796	-	796
Other Revenue	2,992	1,970	4,962	2,650	2,312
Total Revenue	$ 8,898	$ 4,471	$ 13,369	$ 7,494	$ 5,875
Expenditures					
Personal Services	$ 83	$ 144	$ 227	$ -	$ (227)
Services and Supplies	4,190	3,583	7,773	3,843	(3,930)
Capital Outlay	13,012	12,355	25,367	95,543	70,176
Special Payments	-	-	-	140	140
Total Expenditures	$17,285	$ 16,082	$ 33,367	$ 99,526	$ 66,159
Excess (Deficiency) of Revenues Over Budgeted Expenditures	$(8,387)	$(11,611)	$(19,998)	$(92,032)	$ 72,034
Other Financing Sources (Uses)					
Interfund Transfers-In (Out)	1,954	5,790	7,744	91,061	(83,317)
Bond Sales/Loan Proceeds	11,710	-	11,710	-	11,710
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ 5,277	$ (5,821)	$ (544)	$ (971)	$ 427
Fund Equity, July 1, 1982		34,859			
Transactions Recorded During the Year But Charged to Prior Bienniums					
Revenue		8,042			
Expenditures		(7,164)			
Increase (Decrease) in Reserves Encumbrances		(3,740)			
Fund Equity, June 30, 1983		$ 26,176			

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

ENTERPRISE FUNDS

Enterprise Funds account for the provision of goods and services to the general public where all or most of the costs involved are paid in the form of charges by the users of such services.

Oregon Enterprise Fund activities are provided primarily by the eight state agencies described below:

Department of Commerce, Housing Division Their major activity is the sale of revenue bonds to make residential mortgage loans available to lower income residents of Oregon.

Department of Veteran's Affairs They provide farm and home loans and other services to war veterans of Oregon.

Department of Human Resources, Mental Health Division They operate four hospitals which provide care and training for the mentally ill, developmentally disabled and mentally retarded.

Higher Education Activities include providing students with residence halls, parking, bookstores, dining halls and student centers.

Liquor Commission Activities include regulation, control, and sale of all alcoholic liquor and certain wines.

Department of Energy They provide small scale energy loans for development of renewable resource energy projects.

Water Resources Department They provide loans to residents of the State for construction of water development projects for irrigation, drainage and municipal use.

Economic Development Department They provide loans to Oregon Port Districts for Port Development projects. Provides loans to counties for economic development projects.

STATE OF OREGON
COMBINING BALANCE SHEET
ENTERPRISE FUNDS

(Expressed in Thousands)

ASSETS	COMMERCE HOUSING	VETERANS' AFFAIRS	STATE HOSPITALS	HIGHER EDUCATION
Current Assets				
Cash on Hand and in Banks	$ 170	$ -	$ 21	$ -
Cash and Pooled Investments	16,026	84,125	4,494	5,959
Investments - State Treasury	49,948	348,452	-	-
Investments - Other	198,435	38,150	-	28
Advances Receivable	-	199	11	-
Interest Receivable	6,629	37,431	-	-
Accounts Receivable	-	2,004	7,273	1,040
Interfund Receivable	380	-	10	7
Inventories	4	91	1,650	2,374
Prepaid Expenses	-	-	3	181
Discount on Bonds Sold	9,642	8,404	-	-
Total Current Assets	$281,234	$ 518,856	$ 13,462	$ 9,589
Fixed Assets				
Land, Buildings and Improvements	$ -	$ -	$ 44,111	$ -
Leasehold Improvements (Net)	-	8	-	-
Construction in Process	-	5,880	-	-
Equipment and Machinery	68	1,379	8,478	-
Less Allowance for Depreciation	(22)	(952)	(31,948)	-
Total Fixed Assets	$ 46	$ 6,315	$ 20,641	$ -
Other Assets				
Contracts, Notes and Mortgages Receivable	$365,243	$5,035,815	$ 3	$ 458
Total Assets	$646,523	$5,560,986	$ 34,106	$ 10,047
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Accounts Payable	$ 58	$ 95,870	$ 6,530	$ 1,059
Interest Payable	23,504	81,934	-	-
Interfunds Payable	478	-	3,376	20
Trust Funds Payable	777	1,074	1	836
Matured Bonds Payable	30	-	-	-
Premium on Bonds Sold	-	20,729	-	-
Deferred Income	-	-	-	1,772
Total Current Liabilities	$ 24,847	$ 199,607	$ 9,907	$ 3,687
Long-Term Liabilities				
Contract, Mortgages and Notes Payable	$ 4,785	$ -	$ 309	$ -
General Obligation Bonds Payable	87,610	5,260,000	-	85,859
Revenue Bonds Payable	496,511	-	-	-
Total Long-Term Liabilities	$588,906	$5,260,000	$ 309	$ 85,859
Total Liabilities	$613,753	$5,459,607	$ 10,216	$ 89,546
Fund Equity				
Reserve for Encumbrances	$ -	$ -	$ -	$ -
Retained Earnings - Unreserved	32,770	101,379	23,890	(79,499)
Total Fund Equity	$ 32,770	$ 101,379	$ 23,890	$(79,499)
Total Liabilities and Fund Equity	$646,523	$5,560,986	$ 34,106	$ 10,047

Prepared without audit - see letter of transmittal for comments.
The notes to the financial statements are an integral part of this report.

LIQUOR COMMISSION	ENERGY	WATER RESOURCES	ECONOMIC DEVELOPMENT	OTHER ENTERPRISE	AS OF JUNE 30, 1983	1982
$ 261	$ -	$ -	$ -	$ 1	$ 453	$ 2,239
20,351	2,678	22,618	1,362	1,681	159,294	272,679
-	3,380	-	-	-	401,780	149,789
-	-	655	-	-	237,268	119,993
8	-	-	-	4	222	4,437
-	290	146	-	-	44,496	41,648
63	-	-	-	128	10,508	1,356
-	-	-	-	-	397	151
14,557	-	1	-	2,610	21,287	19,467
3	-	-	-	-	187	308
-	388	-	-	-	18,434	11,675
$35,243	$ 6,736	$23,420	$1,362	$ 4,424	$ 894,326	$ 623,742
$ 2,206	$ -	$ -	$ -	$ 9,322	$ 55,639	$ 54,928
-	-	-	-	-	8	10
-	-	-	-	30	5,910	-
1,573	3	17	4	1,343	12,865	12,342
(1,764)	(1)	(5)	(1)	(3,895)	(38,588)	(35,041)
$ 2,015	$ 2	$ 12	$ 3	$ 6,800	$ 35,834	$ 32,239
$ -	$15,563	$17,296	$5,161	$ -	$5,439,539	$5,593,031
$37,258	$22,301	$40,728	$6,526	$11,224	$6,369,699	$6,249,012
$21,150	$ 236	$ 28	$ 9	$ 208	$ 125,148	$ 177,952
-	-	564	-	-	106,002	91,699
-	-	-	-	146	4,020	330
-	-	-	-	10	2,698	6,900
-	-	-	-	-	30	-
-	-	-	-	-	20,729	20,026
450	369	228	-	232	3,051	2,219
$21,600	$ 605	$ 820	$ 9	$ 596	$ 261,678	$ 299,126
$ -	$ -	$ -	$3,679	$ 54	$ 8,827	$ 8,627
-	22,040	39,641	-	-	5,495,150	5,200,230
-	-	-	-	-	496,511	528,689
$ -	$22,040	$39,641	$3,679	$ 54	$6,000,488	$5,737,546
$21,600	$22,645	$40,461	$3,688	$ 650	$6,262,166	$6,036,672
$ -	$ -	$ -	$ -	$ -	$ -	$ 2,007
15,658	(344)	267	2,838	10,574	107,533	210,333
$15,658	$ (344)	$ 267	$2,838	$10,574	$ 107,533	$ 212,340
$37,258	$22,301	$40,728	$6,526	$11,224	$6,369,699	$6,249,012

STATE OF OREGON
COMBINING STATEMENT OF OPERATION
AND CHANGES IN FUND EQUITY
ENTERPRISE FUNDS

(Expressed in Thousands)

	COMMERCE HOUSING	VETERANS' AFFAIRS	STATE HOSPITALS	HIGHER EDUCATION
Sales Income	$ -	$ -	$ 283	$ -
Cost of Goods Sold				
Inventory - Beginning	$ -	$ -	$ -	$ -
Purchases	-	-	-	-
Inventory - Ending	-	-	-	-
Cost of Goods Sold	$ -	$ -	$ -	$ -
Gross Profit on Sales	$ -	$ -	$ 283	$ -
Other Income				
Selective Sales Tax	-	-	-	-
Business Licenses and Fees	620	390	-	-
Nonbusiness Licenses	384	-	1	-
Federal Revenue	392	-	-	377
Charges for Services	-	2,136	63,504	59,173
Fines and Forfeitures	-	-	-	61
Rents and Royalties	-	13	204	-
Interest Income	50,982	343,380	-	364
Donations and Grants (Nonfederal)	-	-	5	330
Other Revenue	4,886	41,857	4	2,465
Loss on Foreclosed Property (Net)	-	(15,075)	-	-
Total Income	$57,264	$ 372,701	$ 64,001	$ 62,770
Operating Expenses				
Personal Services	$ 843	$ 12,657	$ 63,240	$ 25,201
Services and Supplies	250	4,989	12,235	33,148
Special Payments	309	2,657	-	1,110
Debt Service	46,836	372,040	-	-
Depreciation	6	193	2,149	-
Total Expenses	$48,244	$ 392,536	$ 77,624	$ 59,459
Net Operating Income (Loss)	$ 9,020	$ (19,835)	$ (13,623)	$ 3,311
Operating Transfers-In (Out)	(4,785)	11	13,996	136
Net Income	$ 4,235	$ (19,824)	$ 373	$ 3,447
Fund Equity - Beginning	28,435	121,203	24,743	6,892
Bonds Liability from General Long-Term Debt Account Group	-	-	-	(89,838)
Prior Period Adjustment	100	-	(1,226)	-
Fund Equity - Ending	$32,770	$ 101,379	$ 23,890	$ (79,499)

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

LIQUOR COMMISSION	ENERGY	WATER RESOURCES	ECONOMIC DEVELOPMENT	OTHER ENTERPRISE	FOR FISCAL YEAR ENDED JUNE 30, 1983	1982
$110,805	$ -	$ -	$ -	$ 2,383	$113,471	$118,595
$ 15,420	$ -	$ -	$ -	$ 69	$ 15,489	$ -
76,435	-	-	-	12	76,447	79,109
(14,557)	-	-	-	(65)	(14,622)	-
$ 77,298	$ -	$ -	$ -	$ 16	$ 77,314	$ 79,109
$ 33,507	$ -	$ -	$ -	$ 2,367	$ 36,157	$ 39,486
12,324	-	-	-	-	12,324	10,836
132	48	-	1	-	1,191	2,154
-	-	3	-	-	388	9
-	-	-	-	-	769	703
86	-	189	-	1,557	126,645	114,991
(20)	-	-	-	-	41	171
-	-	-	-	787	1,004	958
-	2,694	2,838	509	-	400,767	399,223
-	-	-	-	-	335	401
(46)	-	-	91	133	49,390	2,590
-	-	-	-	-	(15,075)	-
$ 45,983	$2,742	$ 3,030	$ 601	$ 4,844	$613,936	$571,522
$ 5,937	$ 200	$ 214	$ 46	$ 2,590	$110,928	$109,312
11,119	296	104	46	2,094	64,281	57,565
-	-	-	-	-	4,076	31,487
-	2,392	3,048	-	3	424,319	350,933
166	1	1	-	514	3,030	2,060
$ 17,222	$2,889	$ 3,367	$ 92	$ 5,201	$606,634	$551,357
$ 28,761	$ (147)	$ (337)	$ 509	$ (357)	$ 7,302	$ 20,165
(31,664)	-	(1,243)	-	18	(23,531)	14,945
$ (2,903)	$ (147)	$(1,580)	$ 509	$ (339)	$ (16,229)	$ 35,110
18,561	(197)	1,847	2,329	8,527	212,340	171,020
-	-	-	-	-	(89,838)	-
-	-	-	-	2,386	1,260	6,210
$15,658	$ (344)	$ 267	$ 2,838	$ 10,574	$ 107,533	$212,340

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS

(Expressed in Thousands)

	COMMERCE HOUSING	VETERANS' AFFAIRS	STATE HOSPITALS	HIGHER EDUCATION
Sources of Working Capital				
Operations:				
Net Income (Loss)	$ 4,235	$ (19,824)	$ 373	$3,447
Add Depreciation Not Requiring Expenditure of Funds	6	193	2,149	-
Total Provided by Operations	$ 4,241	$ (19,631)	$ 2,522	$3,447
Loan Proceeds	-	-	-	-
Lease Purchase Contracts	-	-	309	-
Sale of Equipment	-	-	34	-
Sale of Bonds	173,366	300,000	-	-
Loan Repayments	11,831	341,419	-	-
Other Miscellaneous	200	-	-	-
Total Provided	$189,638	$ 621,788	$ 2,865	$3,447
Uses of Working Capital				
Retirement of Bonds	$ 15,330	$ 157,000	$ -	$3,979
Payment on Loans	-	-	-	-
Loans Made	42,678	300,376	-	-
Construction of Buildings	-	5,880	279	-
Purchase of Property and Equipment	2	62	1,473	-
Payment on Other Long-Term Debt	17	-	-	-
Other Miscellaneous	-	-	-	28
Total Applied	$ 58,027	$ 463,318	$ 1,752	$4,007
Net Increase (Decrease) in Working Capital	$131,611	$ 158,470	$ 1,113	$ (560)
Elements of Net Increase (Decrease) in Working Capital				
Cash	$ 7,194	$(150,767)	$ 2,665	$ 838
Investments	129,667	241,110	-	(5)
Receivables	890	(352)	7,221	(24)
Inventories	1	20	324	(138)
Prepaid Expenses	-	-	(15)	(98)
Payables	(8,710)	60,748	(9,082)	(996)
Trust Funds Payable	(777)	4,952	-	39
Deferred Income	-	-	-	(176)
Premium and Discounts on Bonds	3,346	2,759	-	-
Net Increase (Decrease) in Working Capital	$131,611	$ 158,470	$ 1,113	$ (560)

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

LIQUOR COMMISSION	ENERGY	WATER RESOURCES	ECONOMIC DEVELOPMENT	OTHER ENTERPRISE	FISCAL YEAR ENDED JUNE 30 1983	1982
$(2,903)	$ (147)	$(1,580)	$509	$ (339)	$ (16,229)	$ 35,110
166	1	1	-	514	3,030	2,060
$(2,737)	$ (146)	$(1,579)	$509	$ 175	$ (13,199)	$ 37,170
-	-	-	-	-	-	4,785
-	-	-	-	-	309	-
16	-	-	-	-	50	-
-	2,340	17,280	-	-	492,986	239,390
-	252	1,744	432	-	355,678	260,011
-	-	-	-	2,426	2,626	262
$(2,721)	$ 2,446	$17,445	$941	$2,601	$ 838,450	$ 541,618
$ -	$ -	$ 519	$ -	$ -	$ 176,828	$ 166,667
-	-	-	-	-	-	145
-	1,372	644	442	-	345,512	511,598
-	-	-	-	-	6,159	-
221	-	-	-	24	1,782	797
-	-	-	92	-	109	-
-	-	-	-	-	28	14,144
$ 221	$ 1,372	$ 1,163	$534	$ 24	$ 530,418	$ 693,351
$(2,942)	$ 1,074	$16,282	$407	$2,577	$ 308,032	$(151,733)
$ 4,212	$ 3,654	$16,363	$414	$ 256	$(115,171)	$ (22,676)
-	(2,161)	655	-	-	369,266	18,105
(18)	-	146	-	4	7,867	5,391
(863)	164	1	-	2,475	1,984	1,002
(8)	-	-	(7)	-	(128)	5,879
(6,227)	(234)	(586)	-	(141)	34,772	(159,335)
(12)	-	-	-	16	4,218	(680)
(26)	(369)	(228)	-	(33)	(832)	581
-	20	(69)	-	-	6,056	-
$(2,942)	$ 1,074	$16,282	$407	$2,577	$ 308,032	$(151,733)

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by an agency on a cost-reimbursement basis to any other governmental unit, whether state, federal, or local.

The Oregon activities reported in Internal Service Funds vary widely both as to type and complexity of operations. Most of the centralized services are provided by five agencies. These agencies and the services they provide or goods they sell are described below. Their operations as well as other major service operations of the State are reflected in the financial statements that follow:

Higher Education Services include printing, duplicating, data processing, and motor pool.

Executive Department Services include accounting, collective bargaining, personnel, and data processing.

Department of General Services Services include purchasing, printing, mail, motor pool, leasing and insurance.

Department of Justice Services include legal and research.

Penitentiary Industries Manufacture and sale of furniture, machinery, and equipment.

STATE OF OREGON
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS

(Expressed in Thousands)

ASSETS	HIGHER EDUCATION FACILITIES	EXECUTIVE DEPARTMENT SERVICES	DEPARTMENT OF GENERAL SERVICES
Current Assets			
Cash on Hand and in Banks	$ -	$ 1	$ 78
Cash and Pooled Investments	2,317	1,790	12,540
Investments - State Treasury	-	-	25,850
Advances Receivable	-	3	2
Interest Receivable	-	-	651
Accounts Receivable	-	1,590	4,417
Interfunds Receivable	-	-	175
Inventories	-	99	1,294
Prepaid Expenses	-	-	42
Total Current Assets	$2,317	$ 3,483	$ 45,049
Fixed Assets			
Land, Buildings, and Improvements	$ -	$ -	$ 58,464
Leased Property (Net)	-	717	1,201
Construction in Process	-	-	1,403
Equipment and Machinery	-	9,893	12,693
Less: Allowance for Depreciation	-	(6,918)	(23,511)
Total Fixed Assets	$ -	$ 3,692	$ 50,250
Other Assets			
Contracts, Mortgages, and Notes Receivable	$ -	$ -	$ -
Total Assets	$2,317	$ 7,175	$ 95,299
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts Payable	$ -	$ 910	$ 4,423
Interfunds Payable	-	-	752
Trust Funds Payable	-	-	112
Deferred Income	-	-	7
Total Current Liabilities	$ -	$ 910	$ 5,294
Long-Term Liabilities			
Lease Purchase Contract Payable	$ -	$ 1,882	$ 648
Obligations Under Capital Lease	-	-	1,509
Contracts, Mortgages, and Notes Payable	-	-	24,174
Total Long-Term Liabilities	$ -	$ 1,882	$ 26,331
Total Liabilities	$ -	$ 2,792	$ 31,625
Fund Equity			
Reserve for Encumbrances	$ -	$ -	$ -
Retained Earnings - Unreserved	2,317	4,383	63,674
Total Fund Equity	$2,317	$ 4,383	$ 63,674
Total Liabilities and Fund Equity	$2,317	$ 7,175	$ 95,299

Prepared without audit - see letter of transmittal for comments.
The notes to the financial statements are an integral part of this report.

JUSTICE DEPARTMENT SERVICES	PEN. INDUSTRIES SALES	OTHER DATA PROC. SERVICES	OTHER MOTOR POOLS	MISC. INTERNAL SERVICES	AS OF JUNE 30, 1983	1982
$ -	$ -	$ -	$ -	$ -	$ 79	$ 3
1,730	75	1,529	-	3,940	23,921	20,751
-	-	-	-	-	25,850	26,004
4	-	-	-	-	9	80
-	-	-	-	-	651	796
1,365	545	1,339	77	370	9,703	7,201
-	-	-	-	190	365	266
-	887	90	6,115	400	8,885	9,080
-	-	-	-	3	45	15
$ 3,099	$ 1,507	$ 2,958	$ 6,192	$ 4,903	$ 69,508	$ 64,196
$ -	$ 1,456	$ -	$ 3,847	$ -	$ 63,767	$ 58,798
-	-	234	-	-	2,152	1,068
-	-	-	-	-	1,403	449
1,480	1,063	15,241	47,649	9,104	97,123	86,548
(1,173)	(1,189)	(7,358)	(26,737)	(3,947)	(70,833)	(56,200)
$ 307	$ 1,330	$ 8,117	$24,759	$ 5,157	$ 93,612	$ 90,663
$ -	$ -	$ -	$ -	$ -	$ -	$ 1,245
$ 3,406	$ 2,837	$11,075	$30,951	$10,060	$163,120	$156,104
$ 1,340	$ 1,036	$ 1,083	$ 2,223	$ 791	$ 11,806	$ 1,963
-	-	500	3,925	-	5,177	3,003
-	-	-	-	-	112	60
-	57	-	-	-	64	-
$ 1,340	$ 1,093	$ 1,583	$ 6,148	$ 791	$ 17,159	$ 5,026
$ -	$ 17	$ 3,741	$ -	$ 444	$ 6,732	$ 6,698
-	-	-	-	-	1,509	-
-	-	-	-	-	24,174	5,553
$ -	$ 17	$ 3,741	$ -	$ 444	$ 32,415	$ 12,251
$ 1,340	$ 1,110	$ 5,324	$ 6,148	$ 1,235	$ 49,574	$ 17,277
$ -	$ -	$ -	$ -	$ -	$ -	$ 4,058
2,066	1,727	5,751	24,803	8,825	113,546	134,769
$ 2,066	$ 1,727	$ 5,751	$24,803	$ 8,825	$113,546	$138,827
$ 3,406	$ 2,837	$11,075	$30,951	$10,060	$163,120	$156,104

STATE OF OREGON
COMBINING STATEMENT OF OPERATIONS
AND CHANGES IN FUND EQUITY
INTERNAL SERVICE FUNDS

(Expressed in Thousands)

	HIGHER EDUCATION FACILITIES	EXECUTIVE DEPARTMENT SERVICES	DEPARTMENT OF GENERAL SERVICES
Sales Income	$ -	$ -	$ 14,955
Cost of Goods Sold			
Inventory - Beginning	$ -	$ -	$ 1,605
Purchases	-	-	12,693
Inventory - Ending	-	-	(1,294)
Cost of Goods Sold	$ -	$ -	$ 13,004
Gross Profit on Sales	$ -	$ -	$ 1,951
Other Income			
Licenses and Fees	-	-	31
Federal Revenue	20	7	-
Charges for Services	26,477	10,404	17,437
Rents and Royalties	-	727	9,485
Interest Income	-	-	3,559
Donations and Grants (Nonfederal)	18	-	-
Other Revenue	235	23	692
Loss on Sale of Equipment	-	(257)	-
Total Income	$ 26,750	$ 10,904	$ 33,155
Operating Expenses			
Personal Services	$ 11,267	$ 5,064	$ 9,903
Services and Supplies	14,733	3,396	20,766
Interest Expense	81	-	950
Depreciation and Amortization	-	3,835	4,527
Total Operating Expenses	$ 26,081	$ 12,295	$ 36,146
Net Income (Loss) From Operations	$ 669	$ (1,391)	$ (2,991)
Operating Transfers-In (Out)	(638)	(30)	(11,514)
Net Income (Loss)	$ 31	$ (1,421)	$ (14,505)
Fund Equity - Beginning	2,286	5,450	88,249
Prior Period Adjustments	-	354	(10,070)
Fund Equity - Ending	$ 2,317	$ 4,383	$ 63,674

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

JUSTICE DEPARTMENT SERVICES	PEN. INDUSTRIES SALES	OTHER DATA PROC. SERVICES	OTHER MOTOR POOLS	MISC. INTERNAL SERVICES	FISCAL YEAR ENDED JUNE 30, 1983	1982
$ -	$ 3,136	$ -	$ -	$ -	$ 18,091	$ 21,082
$ -	$ 1,100	$ -	$ -	$ -	$ 2,705	$ 2,809
-	1,248	-	-	-	13,941	16,404
-	(887)	-	-	-	(2,181)	(2,705)
$ -	$ 1,461	$ -	$ -	$ -	$ 14,465	$ 16,508
$ -	$ 1,675	$ -	$ -	$ -	$ 3,626	$ 4,574
-	-	-	-	-	31	113
-	-	-	-	-	27	68
15,826	-	9,017	44,718	8,755	132,634	122,504
-	-	-	23	-	10,235	10,107
-	-	-	-	26	3,585	4,134
-	-	-	-	-	18	206
40	(9)	2	193	-	1,176	1,859
(60)	(5)	(131)	-	(124)	(577)	-
$ 15,805	$ 1,661	$ 8,888	$ 44,934	$ 8,657	$150,755	$ 143,565
$ 11,687	$ 1,010	$ 4,006	$ 6,695	$ 5,098	$ 54,730	$ 53,432
3,643	1,049	3,141	33,338	3,248	83,314	79,017
-	-	-	-	-	1,031	605
112	105	1,561	3,818	680	14,638	7,422
$ 15,442	$ 2,164	$ 8,708	$ 43,851	$ 9,026	$153,713	$ 140,476
$ 364	$ (503)	$ 180	$ 1,083	$ (369)	$ (2,958)	$ 3,089
(740)	28	72	-	336	(12,486)	(1,006)
$ (376)	$ (475)	$ 252	$ 1,083	$ (33)	$(15,444)	$ 2,083
2,442	2,202	5,499	23,720	8,979	138,827	137,203
-	-	-	-	(121)	(9,837)	(459)
$ 2,066	$ 1,727	$ 5,751	$ 24,803	$ 8,825	$113,546	$ 138,827

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
INTERNAL SERVICE FUNDS

(Expressed in Thousands)

	HIGHER EDUCATION FACILITIES	EXECUTIVE DEPARTMENT SERVICES	DEPARTMENT OF GENERAL SERVICES
Sources of Working Capital			
Operations:			
Net Income (Loss)	$ 31	$(1,421)	$(14,505)
Add Depreciation/Amortization not Requiring Expenditure of Funds	-	3,835	4,527
Total Provided by Operations	$ 31	$ 2,414	$(9,978)
Disposal of Property and Equipment	-	415	478
Loans Received	-	757	8,918
Total Provided	$ 31	$ 3,586	$ (582)
Uses of Working Capital			
Purchase of Property and Equipment	$ -	$ 1,036	$ 1,207
Payment on Lease Purchase Contracts	-	1,109	866
Property Acquired From Another Fund	-	12	(291)
Purchase Capital Lease/Leasehold	-	719	911
Total Applied	$ -	$ 2,876	$ 2,693
Net Increase (Decrease) in Working Capital	$ 31	$ 710	$(3,275)
Elements of Net Increase (Decrease) in Working Capital:			
Cash	$ 31	$ 1,032	$ 1,137
Investments	-	-	(36)
Receivables	-	307	769
Inventories	-	2	(311)
Payables	-	(631)	(4,827)
Deferred Income	-	-	(7)
Net Increase (Decrease) in Working Capital	$ 31	$ 710	$(3,275)

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

JUSTICE DEPARTMENT SERVICES	PEN. INDUSTRIES SALES	OTHER DATA PROC. SERVICES	OTHER MOTOR POOLS	MISC. INTERNAL SERVICES	FISCAL YEAR ENDED JUNE 30, 1983	1982
$ (376)	$(475)	$ 252	$ 1,083	$ (33)	$(15,444)	$ 2,083
112	105	1,561	3,818	680	14,638	7,422
$ (264)	$(370)	$1,813	$ 4,901	$ 647	$ (806)	$ 9,505
91	6	131	(9)	313	1,425	-
-	26	1,445	-	385	11,531	1,349
$ (173)	$(338)	$3,389	$ 4,892	$1,345	$ 12,150	$10,854
$ 147	$ 69	$2,633	$ 4,442	$1,183	$ 10,717	$ 7,212
-	9	845	-	86	2,915	1,358
(95)	-	2	3,847	-	3,475	-
-	-	234	-	-	1,864	-
$ 52	$ 78	$3,714	$ 8,289	$1,269	$ 18,971	$ 8,570
$ (225)	$(416)	$ (325)	$(3,397)	$ 76	$ (6,821)	$ 2,284
$ 866	$ 67	$ (315)	$ -	$ 428	$ 3,246	$ 3,903
-	-	-	-	(118)	(154)	2,988
249	148	655	44	243	2,415	1,467
-	(213)	3	230	94	(195)	(3,005)
(1,340)	(361)	(668)	(3,671)	(571)	(12,069)	(2,085)
-	(57)	-	-	-	(64)	16
$ (225)	$(416)	$ (325)	$(3,397)	$ 76	$ (6,821)	$ 2,284

TRUST AND AGENCY FUNDS

Trust and Agency Funds account for resources received and held by a governmental unit as trustee or agent for individuals, private organizations, and other governmental units to be expended or invested in accordance with the conditions of the trust or agency agreement.

Fiduciary Fund financial information is shown as follows:

Pension Trust Funds

1. Public Employe's Retirement System - includes retirement moneys of the State of Oregon and other municipalities electing to participate in that system.

2. Deferred Compensation - includes that portion of salaries elected to be deferred by state employes.

Nonexpendable Trust Funds

1. Higher Education Trust - primarily gifts and grants restricted to provide loans to students. Also included are deposits held for safekeeping and moneys treated as endowments.

2. State Lands Trust - represents the state owned land and other assets held and operated for the benefit of public schools. Lands include approximately 800,000 acres of off-shore lands, 600,000 acres of grazing lands and 132,000 acres of timber producing lands.

Expendable Trust Funds

1. Local Government Investment Pool funds are those held and invested for local governments by the State Treasurer. Also includes funds held and invested for SAIF by the State Treasurer.

2. Adult & Family Service Trust funds are assets which are managed for recipients who are unable to manage their own resources.

3. Employment Trusts represent funds held by the Employment Division for future payment of unemployment benefits.

4. Other Trusts - composed of funds held by various state agencies.

Agency Funds - Includes moneys held by state agencies for redistribution to other funds, state agencies, or municipalities.

STATE OF OREGON
COMBINING BALANCE SHEET
FIDUCIARY FUNDS

(Expressed in Thousands)

	PENSION TRUSTS		NONEXPENDABLE TRUSTS	
ASSETS	PUB. EMPL. RETIREMENT SYSTEM	DEFERRED COMPENSATION	HIGHER EDUCATION	STATE LANDS
Cash on Hand and in Banks	$ -	$ -	$ -	$ 3
Cash and Pooled Investments	30,839	-	3,661	10,593
Investments - State Treasury	3,314,883	-	20,261	113,894
Investments - Other	100	-	1,044	4,185
Securities Held in Trust	-	19,836	-	322
Receivables	83,621	-	2,285	3,501
Interfunds Receivables	-	-	-	97
Inventories	33	-	-	12
Contracts, Notes, and Mortgages Receivable	-	-	58,360	-
Land, Buildings, and Improvements	-	-	-	769
Equipment	244	-	-	155
Less Allowance for Depreciation	(182)	-	-	-
To be Provided for Payment of L-T Liabilities	-	-	-	-
Total Assets	$3,429,538	$19,836	$85,611	$133,531
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	$ 24,646	$ -	$ 2	$ 431
Due to Other Governments	34,381	-	-	9,517
Interfunds Payable	-	-	-	40
Trust Funds Payable	-	-	1,446	8,890
Deferred Income	-	-	139	-
Lease Purchase Contract Payable	-	-	-	4
Total Liabilities	$ 59,027	$ -	$ 1,587	$ 18,882
Fund Equity				
Reserve for Encumbrances	$ -	$ -	$ -	$ -
Reserve for Inventories	-	-	-	-
Reserves - Other	-	-	-	-
Invested in Fixed Assets	-	-	-	-
Reserve for Trust Funds	3,655,288	19,836	84,024	114,649
Fund Balance - Unreserved	(284,777)	-	-	-
Total Fund Equity	$3,370,511	$19,836	$84,024	$114,649
Total Liabilities and Fund Equity	$3,429,538	$19,836	$85,611	$133,531

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

EXPENDABLE TRUSTS					AS OF JUNE 30,	
LOCAL GOVERNMENT INV. POOL	ADULT & FAMILY SERV. TRUSTS	EMPLOYMENT	OTHER	AGENCY FUNDS	1983	1982
$ -	$ 103	$ -	$ 1,147	$ -	$ 1,253	$ 667
371,129	(10,026)	104,334	28,890	220,872	760,292	580,924
-	-	-	163	-	3,449,201	2,429,945
695,822	-	-	-	-	701,151	723,155
-	-	60	12,568	590,712	623,498	591,756
10,640	3,928	74,110	2,474	24,972	205,531	127,192
-	19,794	729	2,296	1,189	24,105	21,754
-	-	-	26	16	87	89
-	9,604	13,121	46,909	72,822	200,816	242,211
-	-	-	1,079	-	1,848	5,526
-	-	-	263	-	662	599
-	-	-	-	-	(182)	(152)
-	-	-	190	-	190	3
$1,077,591	$23,403	$192,354	$96,005	$910,583	$5,968,452	$ 4,723,669
$ -	$ 2,570	$ -	$ 184	$ 561	$ 28,394	$ 1,744
-	21	-	437	22,250	66,606	52,927
-	9,518	6,719	3,334	219,716	239,327	125,930
1,077,591	1,690	119	37,914	595,234	1,722,884	1,491,835
-	9,604	13,122	47,017	72,822	142,704	242,278
-	-	-	190	-	194	3
$1,077,591	$23,403	$ 19,960	$89,076	$910,583	$2,200,109	$1,914,717
$ -	$ -	$ -	$ -	$ -	$ -	$ 141
-	-	-	26	-	26	25
-	-	-	11	-	11	11
-	-	-	1,342	-	1,342	1,450
-	-	-	-	-	3,873,797	2,797,278
-	-	172,394	5,550	-	(106,833)	10,047
$ -	$ -	$172,394	$ 6,929	$ -	$3,768,343	$2,808,952
$1,077,591	$23,403	$192,354	$96,005	$910,583	$5,968,452	$4,723,669

STATE OF OREGON
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND EQUITY
EXPENDABLE TRUST FUNDS

(Expressed in Thousands)

	ADULT & FAMILY SERVICES	EMPLOYMENT	OTHER	FISCAL YEAR ENDED JUNE 30, 1983	1982
Revenue					
Employer - Employe Taxes	$ -	$ 231,817	$ -	$ 231,817	$ 202,829
Other Taxes	-	-	441	441	471
Nonbusiness Licenses and Fees	-	-	72	72	-
Federal Revenues	-	99,443	3,184	102,627	30,257
Charges for Services	-	-	(674)	(674)	(2,830)
Interest Income	-	17,299	149	17,448	31,102
Sales Income	-	-	4,524	4,524	7
Donations and Grants (Nonfederal)	-	-	164	164	268
Other Revenue	2,618	-		2,618	1,117
Total Revenue	$ 2,618	$ 348,559	$ 7,860	$ 359,037	$ 263,221
Other Financing Sources (Uses)					
Loan Repayments	$ -	$ 72	$ -	$ 72	$ 73
Transfers-In - Interfund	169,803	-	-	169,803	179,012
Transfers-Out - Interfund	(2,423)	(452,013)	(12,057)	(466,493)	(443,394)
Transfers to Cities					
Transfers to Counties					
Transfers to Others	-	-	(145)	(145)	(814)
Total Other Financing Sources (Uses)	$167,380	$(451,941)	$(12,202)	$(296,763)	$(265,123)
Total Revenue and Other Financing Sources (Uses)	$169,998	$(103,382)	$ (4,342)	$ 62,274	$ (1,902)
Expenditures					
Personal Services	$ -	$ -	$ 1,568	$ 1,568	$ 32
Services and Supplies	-	-	1,921	1,921	882
Capital Outlay	-	-	30	30	1
Special Payments	160,700	-	2,779	163,479	132,794
Nonlimited	-	-	3,211	3,211	1,387
Total Expenditures	$160,700	$ -	$ 9,509	$ 170,209	$ 135,096
Excess Revenue Over Expenditures	$ 9,298	$(103,382)	$(13,851)	$(107,935)	$(136,998)
Fund Equity - Beginning	(9,248)	275,776	20,534	287,062	423,637
Increase in Reserve for Inventories	-	-	1	1	5
Decrease in Reserves - Other	(50)	-	-	(50)	(23)
Prior Period Adjustment	-	-	245	245	441
Fund Equity Ending	$ -	$ 172,394	$ 6,929	$ 179,323	$ 287,062

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
PENSION TRUST AND NONEXPENDABLE TRUST FUNDS

(Expressed in Thousands)

	PENSION TRUSTS		NONEXPENDABLE TRUSTS		FISCAL YEAR ENDED JUNE 30	
	PUB. EMPL. RETIREMENT SYSTEM	DEFERRED COMPENSATION	HIGHER EDUCATION	STATE LANDS	1983	1982
Operating Revenues						
Contributions	$ 373,428	$ 9,270	$ -	$ -	$ 382,698	$ 391,937
Interest Income	458,529	-	897	13,999	473,425	164,099
Total	$ 831,957	$ 9,270	$ 897	$ 13,999	$ 856,123	$ 556,036
Other Income						
Nonbusiness Licenses	-	-	-	45	45	46
Federal Revenue	-	-	385	-	385	2,079
Charges for Services	-	-	-	84	84	759
Rents and Royalties	-	-	2	1,468	1,470	5,503
Donations and Grants (Nonfederal)	-	-	779	-	779	848
Other Revenue	-	-	4,569	277	4,846	6,979
Loss on Sale of Equipment	(36)	-	-	(21)	(57)	-
Total Income	$ 831,921	$ 9,270	$ 6,632	$ 15,852	$ 863,675	$ 572,250
Operating Expenses						
Personal Services	$ 1,595	$ -	$ -	$ 980	$ 2,575	$ 2,305
Services and Supplies	785	-	175	680	1,640	1,402
Depreciation	30	-	-	-	30	28
Benefit Payments	170,831	829	-	13,682	185,342	170,479
Total Expenses	$ 173,241	$ 829	$ 175	$ 15,342	$ 189,587	$ 174,214
Net Operating Income (Loss)	$ 658,680	$ 8,441	$ 6,457	$ 510	$ 674,088	$ 398,036
Operating Transfers-In (Out)	-	-	(177)	1,660	1,483	4,243
Net Income	$ 658,680	$ 8,441	$ 6,280	$ 2,170	$ 675,571	$ 402,279
Fund Equity - Beginning	2,365,949	11,395	77,744	113,943	2,569,031	2,164,420
Increased Valuation of Investments	326,282	-	-	-	326,282	-
Prior Period Adjustment	19,600	-	-	(1,464)	18,136	2,332
Fund Equity - Ending	$3,370,511	$19,836	$84,024	$114,649	$3,589,020	$2,569,031

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN
FINANCIAL POSITION
PENSION TRUST AND NONEXPENDABLE TRUST FUNDS

(Expressed in Thousands)

	PENSION TRUSTS		NONEXPENDABLE TRUSTS		
	PUB. EMPL. RETIREMENT SYSTEM	DEFERRED COMPENSATION	HIGHER EDUCATION	STATE LANDS	FISCAL YEAR ENDED JUNE 30, 1983
Sources of Working Capital					
Operations:					
Net Income (Loss)	$ 658,680	$8,441	$ 6,280	$ 2,170	$ 675,571
Add Depreciation Not Requiring Expenditure of Funds	30	-	-	-	30
Total Provided by Operations	$ 658,710	$8,441	$ 6,280	$ 2,170	$ 675,601
Disposal of Equipment	7	-	-	85	92
Loans Repaid	-	-	5,441	-	5,441
Increased Valuation of Investments	326,279	-	-	-	326,279
Prior Period Adjustment to Working Capital	19,600	-	-	2,075	21,675
Total Provided	$1,004,596	$8,441	$11,721	$ 4,330	$1,029,088
Uses of Working Capital					
Purchase of Equipment	$ 28	$ -	$ -	$ 95	$ 123
Loans Made	-	-	7,314	-	7,314
Total Applied	$ 28	$ -	$ 7,314	$ 95	$ 7,437
Net Increase (Decrease) in Working Capital	$1,004,568	$8,441	$ 4,407	$ 4,235	$1,021,651
Elements of Net Increase (Decrease) in Working Capital					
Cash	$ (7,471)	$8,441	$ (648)	$(15,883)	$ (15,561)
Investments	1,003,141	-	4,033	14,361	1,021,535
Receivables	49,776	-	(17,421)	594	32,949
Inventories	8	-	-	3	11
Payables	(40,886)	-	18,442	5,160	(17,284)
Deferred Income	-	-	1	-	1
Net Increase (Decrease) in Working Capital	$1,004,568	$8,441	$ 4,407	$ 4,235	$1,021,651

Prepared without audit - see letter for comments

The notes to the financial statements are an integral part of this report.

Account Group

Account Group

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group accounts for fixed assets acquired through governmental-type funds.

STATE OF OREGON
SCHEDULE OF GENERAL FIXED ASSETS

(Expressed in Thousands)

	As of June 30, 1983	1982
Land	$ 142,903	$ 444,723
Buildings	545,043	534,656
Improvements	36,697	35,673
Construction in Process	6,892	3,400
Equipment and Machinery	347,371	308,026
Leasehold Improvements	765	712
Capital Leased Property	-	108
Investment in Fixed Assets and Leased Property	$1,079,671	$1,327,298

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

General Long-Term Debt Account Group accounts for long-term debt other than those incurred in Proprietary, Special Assessment, and certain Trust Funds.

STATE OF OREGON
SCHEDULE OF GENERAL LONG-TERM DEBT

(Expressed in Thousands)

	AS OF JUNE 30, 1983	1982
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF LONG-TERM DEBT		
Amount Available in Debt Service Fund	$ 54,084	$ 61,475
Amount to be Provided - Long-Term Liabilities	9,623	79,483
Amount to be Provided - Long-Term Debt	253,856	321,701
Total Available and to be Provided	$317,563	$462,659
GENERAL LONG-TERM DEBT PAYABLE		
Bonds Payable		
Board of Higher Education		
Facilities	$ 61,960	$ 64,128
Building Projects	-	89,838
Community College and Education Center	36,355	37,560
Oregon Forest Rehabilitation and Reforestation	125	350
Oregon Pollution Control	150,900	129,400
Oregon State Highway	58,600	61,900
Total	$307,940	$383,176
Other Long-Term Liabilities		
Advances From General Fund	422	2,341
Contracts, Mortgages, & Notes Payable	1,317	72,087
Lease Purchase Contracts Payable	7,883	5,053
Obligations Under Capital Lease	1	2
Total in Long-Term Debt Account Group	$317,563	$462,659

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

ANALYSIS OF CASH AND INVESTMENTS WITH STATE TREASURY

Most of the state agencies are required to deposit the cash they receive in an account with the State Treasurer. The State Treasurer manages the funds similar to the way a commercial bank would do.

On the following page is an analysis of the Cash and Pooled Investments account shown in the Combined Balance Sheet as cash maintained by the State Treasurer. The portion of these funds which is considered to be excess funds is invested by the State Treasurer. A schedule of these investments is presented by classification.

Some agencies are allowed to designate amounts of cash to be invested separately by the Treasurer. These amounts, totalling $3,988,282 thousand, are included in the Investments account on the Combined Balance Sheet. A schedule of designated investments by classification is included in the following presentation.

STATE OF OREGON
ANALYSIS OF CASH ON DEPOSIT WITH STATE TREASURER
JUNE 30, 1983

(Expressed in Thousands)

Cash on Deposit - State Treasurer

Cash and Pooled Investments (Page 11)		$1,029,891
Adjusted by Outstanding Warrants and Deposits in Transit - Net		76,453
Total Cash on Deposit with State Treasurer		$1,109,344

Cash as Maintained by State Treasurer

Cash Items		
Federal Depositories	$102,206	
State Depositories - Demand Deposits	6,923	$ 109,129
Net Cash Items		
Investment of Excess Funds		
Short-Term	$762,408	
Long-Term	237,807	
Total Invested		1,000,215
Total Cash and Excess Fund Investments		$1,109,344

STATE OF OREGON

TREASURY DEPARTMENT

CUSTODIAL ACCOUNTS
STATE FUNDS
Investments by Classification
June 30, 1983

(Expressed in Thousands)

CLASS	DESCRIPTION	EXCESS FUNDS	DESIGNATED FUND INVESTMENT
Short Term			
1110	U.S. Treasury Bills	$ 98,037	$ 341,093
1120	U.S. Agency Paper	20,964	5,296
1210	Time Certificate of Deposit	61,450	-
1220	Bankers Certificate of Acceptance	128,928	-
1310	Utilities	68,494	-
1320	Industrial	225,778	36,438
1330	Bank Paper	5,000	-
1340	Finance Credit	133,828	27,502
1360	Insurance Companies	19,929	-
	Total Short Term	$ 762,408	$ 410,329
Long Term			
2110	Government Bonds	$ -	$ 33,289
2111	U.S. Treasury Coupons	18,136	248,741
2112	U.S. Agency Bonds	16,394	87,232
2113	Canadian Bonds	-	173,261
2114	Municipal Bonds	-	78
2115	GNMA Passthrus and FHLMC	122,219	71,510
2121	Telephone	-	88,347
2122	Electricity	-	246,415
2123	Gas	-	69,407
2130	Industrial Bonds	500	299,548
2140	Financial Bonds	-	130,858
2150	Railroad Bonds Equipment Trust	-	65,089
2160	Corporate Railroad Terminal Bonds	-	2,617
2170	Mortgage Passthru Securities	14,774	113,600
2180	Mortgage-Backed Securities	-	30,674
2211	Capehart Mortgages	-	3,392
2212	Residential Blocks	30,284	13,525
2213	Apartments and Nursing Homes	-	2,182
2230	Conventional RE Mortgage	5,000	187,398
2240	Equity Real Estate	-	149,802
2241	Equity Real Estate Options	-	74,100
2310	State Agency Loans	-	2
2320	Business Loans	7,000	4,414
2330	State Tax Deferrals	23,500	-
2400	Equity Funds	-	1,482,472
	Total Long Term	$237,807	$3,577,953
	Total Investments	$1,000,215	$3,988,282
		(Page 72)	(Page 11)

STATE OF OREGON
REDISTRIBUTIONS OF REVENUE
FOR THE YEAR ENDED JUNE 30, 1983

(Expressed in Thousands)

Numerous moneys are distributed biennially by the State to local governmental units and individuals. Redistributions of revenue are recorded and reported in various ways by the state agencies depending on their legislatively-approved budgets. This is a summary of the distributions that are reported as Transfers-Out, Special Payments Expenditures, or Nonlimited Expenditures in the financial statements. During 1982-83 the State of Oregon made the following distributions:

	1982-83 TOTAL	NONLIMITED FUNDS	OTHER FUNDS	FEDERAL FUNDS	STATE GENERAL FUND
Cities	$111,342	$15,382	$90,482	$4,197	$1,281
Counties	299,302	62,291	185,949	25,598	25,464
Other Governmental Units	18,328	8,327	1,239	5,679	3,083
Nongovernmental Units	34,220	17,286	1,930	14,302	702
Individuals	1,131,999	649,839	198,698	153,514	129,948
Local School Districts	505,329	426,213	1,090	61,967	16,059
Community Colleges	52,079	-	1,202	2,553	48,324
Other (A)	582,412	32,198	538,592	9,593	2,029
Total	$2,735,011	$1,211,536	$1,019,182	$277,403	$226,890

(A) Some state agencies are using "Other" instead of the more specific classification.

STATE OF OREGON
HISTORICAL STATEMENT OF
BUDGETARY REVENUES

(Expressed in Thousands)

	FISCAL YEAR ENDED JUNE 30,				
	1983	1982	1981	1980	1979
Income Taxes	$1,319,803	$1,093,073	$1,165,123	$1,045,400	$ 973,683
Selective Sales and Use Taxes	248,258	213,593	197,267	200,890	145,084
Gross Receipts Business Taxes	39,801	40,338	40,376	38,966	36,683
Employer - Employe Taxes	378,088	317,043	73,416	551,738	581,742
Inheritance and Gift Taxes	35,760	42,216	35,428	27,358	30,395
Severance Taxes	48,486	47,625	49,975	53,345	42,739
Other Taxes	12,768	6,846	4,431	3,905	3,429
Business Licenses and Fees	26,363	27,642	27,771	21,068	24,467
Nonbusiness Licenses and Fees	85,462	82,492	76,393	75,181	124,187
Federal Revenues	988,338	910,698	1,069,192	915,315	721,820
Charges for Services	524,738	464,000	423,678	374,222	352,393
Fines and Forfeitures	17,358	7,187	5,659	5,958	4,253
Rents and Royalties	16,746	21,937	17,715	20,910	13,899
Bond Sales	520,525	251,100	1,159,080	1,192,640	734,754
Interest Income	931,077	683,229	604,040	500,672	384,230
Sales Income	247,786	233,695	225,505	222,357	206,115
Cost of Goods Sold	(125,679)	(80,157)	(81,044)	(76,523)	(71,389)
Donations and Grants (Nonfederal)	35,458	36,225	26,860	28,130	26,346
Contributions (Retirement)	692,798	700,085	632,452	496,872	431,088
Loan Repayments	407,478	268,507	217,540	222,229	20,010
SAIF Assessment	81,000	-	-	-	-
Workers' Compensation Premiums	*	*	237,497	*	*
Other Revenue	94,223	68,917	43,797	94,364	36,461
Loan Proceeds	-	4,785	-	-	-
Revenue Transfers (Net)	76,916	46,758	75,301	(89,704)	22,328
Total Revenue	$6,703,551	$5,487,834	$6,327,452	$5,925,293	$4,844,717

*Included in Employer - Employe Taxes

STATE OF OREGON
HISTORICAL STATEMENT OF
BUDGETARY EXPENDITURES
BY BUDGET AUTHORITY

(Expressed in Thousands)

	FISCAL YEAR ENDED JUNE 30,				
	1983	1982	1981	1980	1979
STATE GENERAL FUND EXPENDITURES					
Personal Services	$ 342,682	$ 362,855	$ 325,879	$ 312,239	$ 264,804
Services and Supplies	93,636	88,470	84,851	91,351	83,515
Capital Outlay	8,158	10,704	16,701	20,129	13,939
Special Payments	937,540	1,009,738	944,850	1,019,578	706,859
Debt Service	2,888	5,772	2,970	8,874	8,134
Total General Fund	$1,384,904	$1,477,539	$1,375,251	$1,452,171	$1,077,251
OTHER FUND EXPENDITURES					
Personal Services	$ 474,562	$ 418,665	$ 385,859	$ 352,988	$ 341,367
Services and Supplies	437,581	439,940	649,401	398,391	283,133
Capital Outlay	35,938	23,098	27,873	29,922	29,402
Special Payments	82,108	42,327	58,635	47,029	23,516
Debt Service	11,877	9,512	9,414	6,406	5,700
Total Other Funds	$1,042,066	$ 933,542	$1,131,182	$ 834,736	$ 683,118
FEDERAL FUND EXPENDITURES					
Personal Services	$ 118,280	$ 118,379	$ 110,592	$ 101,033	$ 90,276
Services and Supplies	42,068	40,565	41,098	38,685	33,871
Capital Outlay	2,764	2,473	6,504	3,102	3,800
Special Payments	375,773	326,840	422,289	362,405	357,893
Total Federal Funds	$ 538,885	$ 488,257	$ 580,483	$ 505,225	$ 485,840
NONLIMITED FUND EXPENDITURES					
Personal Services	$ 98,810	$ 95,283	$ 93,938	$ 83,157	$ 61,302
Services and Supplies	167,037	143,010	128,376	136,719	123,349
Capital Outlay	8,603	9,811	12,880	8,220	8,923
Special Payments	1,714,847	1,805,799	1,999,715	2,222,007	1,672,781
Debt Service	627,050	575,489	522,009	340,553	243,680
Other	24,276	3,133	3,436	1,909	-
Total Nonlimited Funds	$2,640,623	$2,632,525	$2,760,354	$2,792,565	$2,110,035
Total Expenditures	$5,606,478	$5,531,863	$5,847,270	$5,584,697	$4,356,244

ANALYSIS OF BONDED DEBT

The State of Oregon Constitution provides for the issuance of general obligation debt for a number of purposes. The State may also issue revenue bonds under various State laws.

General obligation bonds are secured by the full faith and credit of the government and are not deemed a primary obligation of any specific fund of the organization.

Revenue bonds such as the housing revenue bonds are not secured by the full faith and credit of the State nor are the bonds an obligation of the State. They are secured and payable only from the obligations of the mortgage lenders as collaterally secured by approved securities or to first mortgage liens on low income family residential property.

The following summary information is provided for the year ended June 30, 1983 to aid in analysis of State bonded debt.

Analysis of General Obligation Debt.
Summary of Outstanding Debt and Constitutional and Statutory Provisions.
Summary of Oregon State Constitutional Provisions regarding General Obligation Debt.

STATE OF OREGON
ANALYSIS OF GENERAL OBLIGATION DEBT

(Expressed in Whole Dollars)

	June 30,				
	1979	1980	1981	1982	1983
Total General Obligation Debt	$3,594,024,000	$4,844,741,000	$5,523,265,000	$5,673,406,000 1/	$5,893,090,000 1/
Revenue Supported General Obligation Debt	$3,467,829,000	$4,607,122,631	$5,377,521,631	$5,532,547,631	$5,749,380,000
Nonrevenue Supported General Obligation Debt	$126,195,000	$138,618,369	$145,743,369	$142,038,369	$143,710,000
Population 2/	2,584,350	2,639,915	2,660,735	2,656,185	2,656,185 4/
Total Debt per Capita	$1,390.69	$1,835.19	$2,075.84	$2,135.92	$2,218.62
True Cash Value (TCV)	$59,025,276,078	$73,401,711,033	$82,426,835,098	$86,428,611,621	$86,428,611,621 4/
Total Debt as Percent TCV	6.09%	6.60%	6.70%	6.88%	6.82%
Nonrevenue Supported General Obligation Debt per Capita	$49.60	$52.38	$54.78	$53.47	$54.10
Nonrevenue Supported General Obligation Debt as Percent TCV	.21%	.19%	.18%	.17%	.17%
Total Personal Income	$19,686,000,000	$22,336,000,000	$24,700,000,000	$26,700,000,000	$27,400,000,000
Revenue Supported General Obligation Debt as Percent Total Personal Income 3/	17.62%	21.07%	21.77%	20.72%	21.51%
Nonrevenue Supported General Obligation Debt as Percent Total Personal Income	.64%	.62%	.59%	.53%	.52%

1/ Includes short-term obligation of $90 million in tax exempt commercial paper.
2/ Population figures are as of July 1 each year. Source: Center for Population Research, Portland State University.
3/ Total personal income is based on calendar year averages of preceding year: this tends to overstate percentages shown.
4/ 1983 figure not yet available; 1982 figure used.
Source: State of Oregon, Treasury Department, Municipal Bond Division.

STATE OF OREGON
SUMMARY OF OUTSTANDING DEBT
AND CONSTITUTIONAL AND STATUTORY PROVISIONS
June 30, 1983

(Expressed in Thousands)

PURPOSE/DEPARTMENT	CONSTITU. 1/ PROVISION	CONSTITU. DEBT LIMIT	STATUTORY DEBT LIMIT	AMOUNT ISSUED	AMOUNT OUTSTAND.	AUTHORIZA. 2/ REMAINING
GENERAL OBLIGATION BONDS						
General Fund:						
Higher Education Facilities	ART XI-G	3/4% TCV	-	$ 92,083	$ 61,960	549,900
Community College & Education Center	ART XI-G		-	44,645	36,355	
State Power Development	ART XI-D	1-1/2% TCV	-	-	-	1.296,429
General Purposes 1/	ART XI-Sec 7	$50	-	-	-	50
Oregon Forest Rehabilitation & Reforestation	ART XI-E	3/16% TCV	$ 750/yr	13,350	125	161,929
Oregon Pollution Control *(30% General Fund)	ART XI-H	1% TCV	$ 260,000	187,500	45,270	109,100
Fully Self-Supporting:						
Higher Education Building Projects	ART XI-F(1)	3/4% TCV	-	145,793	85,859	562,356
Oregon State Highway	ART XI-Sec 7	1% TCV	various (see ORS 367)	246,050	58,600	805,686
Irrigation, Drainage and Water Projects	ART XI-I	1-1/2% TCV	-	40,646	39,641	1,256,788
Elderly Multi-family Housing	ART XI-I	1/2% TCV	-	87,915	87,610	344,533
Oregon Veterans' Welfare	ART XI-A	8% TCV	-	6,325,000	5,350,000	1,564,289
Alternate Energy Projects	ART XI-J	1/2% TCV	-	22,040	22,040	410,103
Oregon Pollution Control *(70% Self-Supporting)	(see above)			(see above)	105,630	(see above)
Total General Obligation Bonds				$7,205,022	$5,893,090	
REVENUE BONDS						
Board of Forestry			$ 500 (ORS 530.140)	-	-	500
Forest Development Financing			$1,030,000 (ORS 456.661)	545,495	496,511	533,489
Department of Commerce, Housing Division			$ 50,000 (ORS 391.550)	32,100	31,800	18,200
Housing Project Financing						
Oregon Mass Transportation Financing Authority (Note 15)						
INDUSTRIAL DEVELOPMENT REVENUE BONDS			no limit (ORS 280.310)	183,523	162,850	-
Economic Development Department (Note 15)				-	-	
Short-Term Debt 1/	Art XI-Sec 7	$50				50

1/ The State of Oregon may not incur indebtedness exceeding $50,000 without a constitutional amendment approved by voters.
2/ Based on the January 1, 1982 True Cash Value (TCV) of $86,428,611,621.

STATE OF OREGON
Summaries of Oregon State Constitutional Provisions Regarding General Obligation Debt

ARTICLE IX

Section 2 of this Article states that the legislature shall provide for raising enough revenue to defray the expenses of the State for each fiscal year and also to pay the interest on the State debt. Section 3a of this Article restricts the use of gasoline taxes and other highway-user taxes to activities associated with the State's roads, including the retirement of bonds where these taxes have been pledged as the source of revenue. In addition, however, taxes on recreational vehicles may be used to acquire and care for parks and recreation areas. Section 6 requires the legislature to increase taxes to cover deficits occurring in the previous year and estimated expenses for the ensuing year.

ARTICLE XI

Section 7 limits the State's indebtedness for purposes not otherwise provided for in the constitution to $50,000 and for building and maintaining roads to 1% TCV of property in the State. The section does not apply to real property leases up to 20 years entered into by the State for a public purpose.

ARTICLE XI-A

Section 1 of this Article authorizes the State to borrow up to 8% TCV of property in the State to create the Oregon War Veteran's Fund. Section 2 states that bonds of the Oregon War Veteran's Fund shall be a direct obligation of the State. An annual tax of up to 2 mills on all taxable property within the State is allowed by Section 4 as a source of interest and repayment for the bonds. This amount of tax however is limited by Statute to 0.25 mill.

ARTICLE XI-D

This Article estabishes a debt limit of 1.5% TCV of all taxable property in the State to provide primarily for the development of hydroelectric power.

ARTICLE XI-E

This Article establishes a maximum debt limit of 3/16% TCV of all taxable property in the State to provide for the reforestation of land which the State currently owns and that which it may acquire for the purpose of reforestation. Funds generated from the reforested lands must be used to repay any oustanding debt issued under this provision and property taxes are also authorized to assist in repaying this debt. A debt limit of $750,000/year is currently set by statute.

ARTICLE XI-F(I)

Here the constitution provides a debt limit of 3/4 of 1% TCV of all taxable property in the State for higher education building projects (which are limited by statute to $90.5 million in total indebtedness). These projects must be wholly self-supporting and self-liquidating from revenues, gifts, grants or building fees. If the projects do not provide enough funds to repay the debt and the interest on the debt, property taxes are allowed.

ARTICLE XI-G

In addition to the debt provisions of Article XI-F(I) this article allows a debt limit of up to 3/4 of 1% TCV for higher education projects (including those of community colleges). Unlike Article XI-F(I), however, these projects cannot be totally self-supporting. Property taxes are allowed to repay this debt and its interest. In addition, any funds spent under this provision must be matched by the legislature from the General Fund.

ARTICLE XI-H

Funds for pollution abatement projects of State and local government agencies may be borrowed under this section, up to 1% TCV of all taxable property in this State. Facilities acquired under this program are required to "conservatively appear" to be at least 70% self-supporting and self-liquidating from revenues, gifts, grants from the Federal Government, user charges, assessments and other fees. Property taxes are provided as a source of additional revenue to support these bonds.

ARTICLE XI-I(1)

Funds for loans to construct water development projects for irrigation and drainage may be borrowed up to 1-1/2% TCV of all the property within the State. Property taxes may be levied to repay this debt if revenues are insufficient.

ARTICLE XI-(2)

Authorizes funds for additional financing for multifamily housing for elderly households of low income. Debt outstanding for this purpose may not exceed 1/2 of 1% TCV of all taxable property in the State. Property taxes may be levied to repay this debt if revenues from loan repayments are insufficient.

ARTICLE XI-J

Authorizes borrowing to provide funds for loans for small scale local energy projects, up to 1/2 of 1% TCV of all taxable property in the State. Property taxes may be levied to repay this debt if revenues from loan repayments are insufficient.

APPROVED BY:

Dave Frohnmayer

ATTORNEY GENERAL, State of Oregon

ECONOMIC INFORMATION

Economic information is presented to allow a broader understanding of the economic and social environment in which State government operates.

THE STATE'S ECONOMY

The following information on the state's economy, obtained from sources indicated, may be relevant in evaluating the economic and financial condition and future prospects of the state. The data do not present all factors which may relate to the state's economic and financial affairs and may require economic analysis in order to determine their importance to the state. The data may be subject to differing interpretations depending on the economist or financial analyst consulted.

An Overview

The decade of 1970-1980 was one of sound growth and increasing diversification in the Oregon economy. Most significant was the continuing trend in manufacturing employment away from the cyclical wood products industry and toward high technology enterprises.

Manufacturing employment in the wood products industry has declined from nearly 60% of the state's total in 1950 to 29.9% in 1982. Over the same period the high technology sector of the economy has grown from about 5,000 employes to 43,300 employes. The latter figure represented about 23.3% of manufacturing employment in 1982, compared with 12.5% in 1972.

A diverse agricultural base contributes to economic diversity. A mild climate, varied topography and rich soil support the more than 82 commodities which reported sales of $1 million or more in 1982. Much of this agricultural activity occurs in the Willamette River Valley in the western portion of the state. This valley also contains most of the state's population and much of the manufacturing activity.

Population and per capita income in Oregon have increased at rates significantly above national averages in the last decade. In the late 1970's Oregon's population grew at a rate of three to four times the national average. However, 1981 marked a reversal of this trend as the state registered an increase of only 0.78% over 1980 while the nation's population grew by 1.24%. In 1982, the state's population decreased by .17%, a major change from the 1.5 to 5 percent annual growth experienced since 1972.

Portland, located at the confluence of the Columbia and Willamette Rivers, is Oregon's largest city and the hub of economic activity. The greater Portland area is one of the most diversified manufacturing centers on the West Coast. It is also the home of the Port of Portland, a significant seaport for trade between the western United States and the Pacific Rim nations. The Port has continued to move ahead with its aggressive program of industrial development after a temporary disruption of normal activities in 1980, due to deposits of volcanic ash from Mt. St. Helens.

Outside the Willamette Valley, those areas not devoted primarily to agriculture continue to rely somewhat heavily on the wood products industry. This industry's sensitivity to economic fluctuations persists and has resulted in fluctuating levels of employment in rural counties. Only the pulp and paper sector of the wood products industry has demonstrated relative strength in recessionary periods. The housing and construction industries were fairly hard hit by downturns in national economic activity experienced in the last two years. The current revival of home building and construction across the nation, along with rebuilding of depleted inventories has caused a steady upswing in wood products employment in recent months.

Summary of Economic Trends

Following World War II, the Oregon economy exhibited rather slow growth performance for about two decades. However, beginning in the mid-sixties, the economy of the state began a period of more rapid growth, better economic diversification, and improvement in comparison to national trends.

During the period from 1964 to 1974, the real value of goods and services produced in the state increased at an average annual rate of 4.7%, as compared to 3.1% average expansion from 1950 to 1963. During the same decade, Oregon also outpaced the mean annual real growth attained by the United States economy as a whole. Further, the period from 1970 to 1978 saw an annual real growth rate in Oregon of 5.41% as compared with a 3.35% national rate.

This economic growth, outpacing national growth, resulted in corresponding advances in real personal income and employment, as well as attracting increasing numbers of new residents from other states. From 1970 to 1980, Oregon population grew 26.5% compared with only 11.1% nationwide. About two-thirds of the increase in Oregon was due to net migration.

The decade from 1970 to 1980 brought more accelerated growth to the state. Per capita income increased from 94.1% of the national average in 1970 to 100% from 1976-1979, then dropped to 94% in 1982. As noted previously, the period from 1970-80 saw a continuation of the trend toward increasing economic diversity as high technology industries (electrical equipment and supplies, machinery, and instruments) registered rapid employment gains and wood products employment grew slowly through 1979.

Unemployment as a percent of labor force continued to be above the national average in the last decade. However, Oregon's average employment growth outpaced labor force growth, whereas nationally labor force growth exceeded employment growth. Between 1972 and 1981 Oregon's total nonagricultural employment increased 31.5% while population increased 21.9%. In 1982, this trend was reversed somewhat, with reductions in both employment and population.

Oregon remains slightly more sensitive to economic cycles than the national average due to the forest products component of its economy. Although recessionary periods continued to be somewhat more pronounced in Oregon than in the nation as a whole, the state's economy generally out performed the national economy in the last decade. Until 1981, gross product, population and employment grew at a rate about double that of the United States, while unemployment and inflation were generally above national averages.

The high interest rates experienced in the last two years have had a significant impact on certain sectors of the Oregon economy. The recession-sensitive wood products, housing and construction industries were particularly hard hit. Greatest impact has been in the rural counties of eastern and southern Oregon which depend on one or a combination of these industries. In urban areas generally, and Portland in particular, the diverse economic base has provided a measure of insulation from the impacts of the recession. While economic activity has slowed in those areas, unemployment remains below the national average.

Tourism was strong in 1981 and 1982, due in part to the plentiful supplies of relatively low-cost automobile fuel. Despite national economic difficulties, in the immediate future Oregon's economy looks encouraging due to a combination of lower interest rates and signs of recovery in the U.S. housing industry. Depleted inventories have also contributed to renewed activity in Oregon's lumber industry. The state has made a commitment to greater diversification and considerable strides have been made toward this end in recent years. While high technology industry growth is likely to slow, the decline in the relative importance of wood products is expected to continue. The state anticipates even greater foreign trade in the considerable markets of the Far East and other Pacific Rim nations.

Economic Diversification

Oregon has been successful in the past decade in attracting new industries and encouraging expansion of high technology employment and commerce. The trend in the past ten years has been toward less dependence on Oregon's primary industry, forest products.

Lumber and wood products have declined in the proportion they hold of Oregon manufacturing employment from 38.8% in 1970 to 29.9% in 1982. This occurred during a period when Oregon's Gross State Product grew at an average real rate of 5.41% compared with a Gross National Product average real growth rate of only 3.35%. In the same period paper and allied products dropped from 5.5% to 5.2% of manufacturing employment.

The decade brought the largest employment gains in the area in high technology, from 12.2% to 23.3% of total employment. This category, which includes machinery, electrical equipment and supplies and instruments and related products, can be expected to continue expansion, based on national trends and forecasts.

Metals, both primary and fabricated, have also shown a substantial increase in the proportion of Oregon employment represented. Food products manufacturing employment has declined slightly in significance.

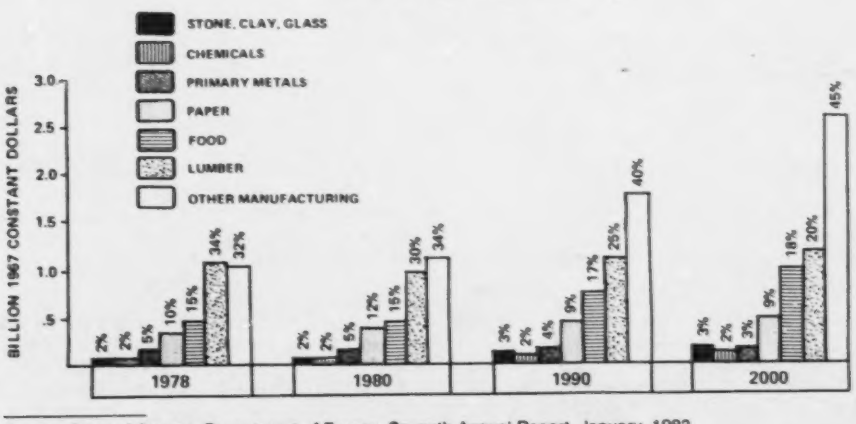
Value Added in Manufacturing

The Oregon Department of Energy, using historical growth patterns, forecasts labor productivity and value added in manufacturing through the year 2000 as part of its econometric model for determining the energy outlook for the state.

Using SIC codes, lumber and paper manufacturing value added is expected to grow at an overall rate of 2.1% annually, compared with the historical rate of 9.0%. Electrical equipment and transportation equipment are expected to grow at an overall rate of 9%, compared with the historical rate of 21.7%. Exhibit 2 presents a comparison of the relative contributions of the various industries, historically and projected over the forecast period.

EXHIBIT 2

REAL MANUFACTURING VALUE ADDED IN OREGON:
ACTUAL AND PROJECTED



Source: State of Oregon, Department of Energy, Seventh Annual Report, January, 1983.

Gross State Product

For the year 1981, Oregon's Gross State Product (GSP), calculated in 1972 constant dollars, was $16.5 billion, representing an increase of 49.8% over the 1971 level. The state's growth in GSP over the period exceeded the growth in national Gross Domestic Product (GDP). In current dollars, the average annual increase of GDP was 10.4% for the period, the Gross National Product increased 10.5%, and the state's Gross State Product increased 11.9%.

Changes in the composition of Oregon's GSP are more evident for the period 1961 to 1981 than from 1971 to 1981. Durable goods manufacturing increased from 14.2% of GSP in 1961 to 15.9% in 1981. Construction declined from 7.0% of GSP in 1961 to 3.6% in 1981; government declined from 15.5% of GSP in 1961 to 12.3% in 1981; and farming declined from 4.8% of GSP in 1961 to 2.6% in 1981.

Exhibit 3 shows the distribution of GSP by major Standard Industrial Classification (SIC) from 1971 to 1981. The sectors showing rapid growth in GSP share from 1971 to 1981 were electronic equipment and supplies and instruments and related products. These sectors contributed 2.7% to GSP in 1971 and 4.9% in 1981. The state's largest employer, Tektronix, Inc. was reclassified from electrical equipment and supplies manufacturing to instruments and related products manufacturing beginning in 1975.

EXHIBIT 3

OREGON GROSS STATE PRODUCT BY INDUSTRY, 1971-81
(In Millions of 1972 Constant Dollars)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
Gross State Product(1)	$11,015.2	$11,366.9	$12,782.9	$12,976.6	$12,878.6	$14,408.4	$15,195.6	$16,366.6	$16,968.7	$16,711.4	$16,535.0
Farm	383.4	377.5	366.0	490.9	443.1	456.8	369.1	371.8	378.6	516.9	438.3
Manufacturing	2,690.3	3,072.7	3,376.2	3,340.1	3,079.4	3,313.8	3,648.4	3,692.7	4,131.7	3,845.3	3,693.4
Nondurable Goods	678.9	751.7	849.2	843.6	802.6	865.0	920.8	926.2	995.3	983.5	992.3
Food Processing	327.0	356.1	403.1	381.3	374.9	391.7	398.7	401.4	431.9	449.6	458.3
Textile Mills	23.5	23.8	24.6	22.7	21.0	23.5	26.4	27.0	28.0	25.9	24.8
Apparel	20.9	25.5	28.1	29.0	30.3	31.6	33.6	35.4	35.3	32.6	29.5
Paper and Allied	153.8	177.3	199.0	217.6	189.5	215.0	232.9	212.2	241.5	238.0	242.2
Printing	82.6	90.8	101.5	100.5	101.5	106.7	108.2	122.7	130.4	133.2	140.2
Chemicals	38.5	42.5	47.3	48.0	47.3	53.6	53.1	54.2	55.8	51.6	51.7
Petrol. and Related	17.7	17.6	22.8	21.3	14.3	15.8	18.7	18.9	20.1	16.7	13.1
Rubber and Plastics	13.3	16.3	20.7	21.1	21.8	25.0	30.8	35.4	36.3	34.9	36.8
Leather	1.6	1.8	2.1	2.1	2.0	2.9	3.0	3.4	3.2	3.1	3.2
Durable Goods	2,011.4	2,321.0	2,527.0	2,496.5	2,276.8	2,384.2	2,656.9	2,962.6	3,049.4	2,774.5	2,625.4
Lumber and Wood	1,234.3	1,438.4	1,498.9	1,426.8	1,307.8	1,481.2	1,540.7	1,548.6	1,551.3	1,435.8	1,406.3
Furniture	32.1	39.2	39.1	34.7	36.1	33.8	36.7	40.2	31.4	32.3	32.9
Stone, Clay and Glass	53.6	60.4	62.1	59.3	55.1	62.6	62.7	72.1	79.2	81.4	72.4
Primary Metals	122.5	125.7	157.7	177.4	150.3	150.2	163.5	184.9	201.2	193.8	184.4
Fabricated Metals	116.6	129.8	146.8	143.3	131.8	147.9	171.1	195.1	207.4	193.4	172.7
Machinery	145.1	164.0	195.3	205.8	188.5	201.4	240.8	274.0	309.2	317.4	336.2
Electrical Machinery	107.9	129.5	156.5	165.4	44.1	51.3	64.4	89.9	134.9	164.7	174.9
Instruments	29.4	34.4	41.5	44.4	175.2	194.8	232.9	281.4	299.5	315.9	289.1
Motor Vehicles	147.5	174.3	202.9	215.1	162.1	91.9	117.8	140.5	146.7	108.2	100.1
Other Transportation Equipment	65.3	84.9	95.8	101.0	69.1	102.4	82.9	104.4	99.4	95.2	83.5
Miscellaneous Manufacturing	22.4	25.3	26.2	24.3	25.8	27.0	29.4	31.2	29.6	29.5	35.4
Nonmanufacturing	6,401.1	6,944.2	7,430.9	7,469.1	7,604.1	8,261.2	9,142.7	10,117.9	10,661.4	10,014.7	10,147.4
Agricultural Services	47.4	56.1	60.3	71.8	61.8	71.7	72.7	92.7	103.0	104.2	102.0
Mining	43.2	43.1	50.2	45.1	38.2	27.8	32.6	43.2	40.9	36.2	31.7
Construction	553.7	633.6	621.0	586.4	549.1	641.5	727.2	824.1	854.4	731.9	601.3
Transportation	489.8	547.2	591.2	598.4	554.0	600.3	637.7	666.3	697.7	646.5	605.4
Communications	277.9	299.1	324.0	331.5	361.8	394.0	435.9	491.5	543.1	593.6	611.2
Utilities	298.0	295.3	305.5	295.2	315.6	324.6	342.3	357.4	377.4	403.1	404.7
Wholesale Trade	842.2	953.9	1,030.1	1,032.0	1,047.8	1,098.2	1,187.7	1,320.6	1,366.4	1,305.4	1,311.7
Retail Trade	1,212.7	1,329.4	1,479.3	1,416.6	1,482.8	1,620.9	1,748.8	1,885.9	1,954.1	1,876.0	1,854.1
Finance, Insur., and Real Estate	1,443.2	1,528.3	1,623.9	1,688.4	1,742.4	1,917.2	2,270.2	2,607.1	2,789.6	2,702.4	2,608.6
Services	1,193.0	1,258.2	1,345.4	1,403.7	1,450.6	1,565.0	1,687.2	1,829.1	1,934.8	1,975.4	2,016.7
Government	1,540.4	1,572.5	1,609.8	1,676.5	1,752.0	1,827.4	1,863.1	1,935.1	1,993.7	2,008.3	2,025.5

(1) Industrial Classification is according to the 1967 Standard Industrial Classification (S.I.C.) Manual for years 1970 through 1974 and according to the 1972 Standard industrial Classification (S.I.C.) Manual for 1975-1981.

Source: Information and Research Division, Oregon Department of Economic Development

Nonagricultural Employment Trends

Total nonagricultural wage and salary employment in Oregon rose from 774,300 in 1972 to 960,800 in 1982, an increase of 24.1%. By major industry sector, nonmanufacturing increased more rapidly than manufacturing during this period. Nonmanufacturing employment increased 31.3% while manufacturing employment increased by 0.9%. The discussion of employment trends by sector is based on data compiled by Standard Industrial Classification (SIC) codes. Exhibit 4 presents Oregon nonagricultural wage and salary employment since 1972. Exhibit 5 compares Oregon and U. S. nonagricultural employment in 1982.

EXHIBIT 4

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT(1)
CALENDAR YEAR AVERAGES
1972 STANDARD INDUSTRIAL CLASSIFICATION

(Numbers in Thousands)(2)
(Not seasonally adjusted)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Total All Industries	774.3	816.2	837.9	837.4	878.5	936.9	1,009.4	1,056.2	1,044.6	1,018.4	960.8
Manufacturing	184.0	196.9	196.8	182.1	193.7	206.1	219.1	228.5	215.1	202.7	185.6
Durable Goods	134.2	145.6	145.2	132.8	142.4	152.1	165.1	171.8	159.6	148.4	132.4
Lumber and Wood Products	77.3	80.9	76.7	69.6	76.4	79.4	81.4	81.2	69.5	63.8	55.5
Logging and Sawmills	39.2	41.9	41.0	36.6	39.7	40.8	41.4	41.9	36.9	33.0	28.8
Veneer and Plywood	25.8	25.9	23.8	21.8	23.7	24.3	24.5	24.3	20.5	19.0	16.8
Millwork and Structural Wood	6.1	6.3	5.5	5.6	6.7	7.3	8.0	7.7	6.2	6.1	5.3
Mobile Homes	1.7	1.8	1.7	1.8	2.1	2.6	3.0	3.0	2.1	1.9	1.4
Other Wood Products	4.5	5.0	4.7	3.8	4.2	4.4	4.5	4.3	3.8	3.8	3.2
Furniture and Fixtures	3.6	3.8	3.1	3.0	2.9	3.1	3.2	2.9	2.6	2.5	2.4
Stone, Clay and Glass Products	3.5	3.6	3.6	3.3	3.6	3.8	4.0	4.4	4.5	3.9	3.4
Primary Metals	7.7	8.9	10.1	9.5	9.3	9.7	10.4	11.1	11.0	10.2	8.0
Fabricated Metals	8.6	9.5	10.2	9.7	10.3	11.7	13.2	13.7	12.7	11.2	9.4
Machinery	10.1	12.0	12.6	11.6	11.7	13.5	15.4	17.3	17.7	18.0	16.5
Electrical Equipment and Supplies	3.1	3.6	3.9	3.6	3.9	4.6	5.1	8.6	9.8	10.0	10.0
Transportation Equipment	8.1	9.1	9.4	8.4	9.5	9.9	12.0	12.2	10.3	8.9	8.0
Instruments and Related Products	9.8	11.8	13.3	12.1	12.6	14.2	17.1	18.2	19.3	17.4	16.8
Miscellaneous Manufacturing	2.4	2.4	2.3	2.0	2.2	2.2	2.3	2.2	2.2	2.5	2.4
Nondurable Goods	49.8	51.3	51.6	49.3	51.3	54.0	54.0	56.7	55.5	54.3	53.2
Food and Kindred Products	23.4	23.4	23.3	22.4	22.9	24.1	24.4	25.2	24.3	23.8	23.7
Textile Mill Products	2.5	2.4	2.4	2.1	2.2	2.1	2.2	2.2	2.0	1.8	1.8
Apparel	3.1	3.4	3.5	3.2	3.5	3.4	3.4	3.5	3.2	2.8	2.7
Paper and Allied Products	9.6	9.8	10.1	9.6	9.8	10.4	8.8	9.8	10.4	10.3	9.7
Printing and Publishing	7.2	7.7	7.9	7.7	8.2	8.8	9.5	10.0	10.0	10.2	10.1
Chemicals and Allied Products	2.0	2.1	2.1	2.1	2.2	2.3	2.4	2.4	2.3	2.2	2.1
Petroleum Refining	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.7	0.6	0.5	0.5
Rubber and Plastic Products	1.3	1.8	1.6	1.5	1.8	2.1	2.4	2.6	2.4	2.4	2.3
Leather Products	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Nonmanufacturing	590.3	619.3	641.1	655.3	684.8	730.8	790.3	827.7	829.5	815.7	775.2
Mining and Quarrying	1.7	1.9	1.8	1.7	1.5	1.8	2.2	2.4	2.3	2.2	1.8
Contract Construction	36.8	39.0	39.0	35.3	36.6	42.6	48.8	53.0	46.5	37.5	29.6
Transportation, Comm., and Utilities	50.3	52.3	52.5	50.2	51.2	53.7	56.9	60.0	60.5	59.3	56.7
Transportation	31.2	32.9	32.7	30.8	31.6	32.9	34.6	36.0	35.4	34.1	31.8
Communications	12.2	12.6	12.8	12.5	12.5	13.3	14.5	15.8	16.3	16.1	15.9
Utilities	6.9	6.8	7.0	6.9	7.1	7.5	7.8	8.2	8.8	9.1	9.0
Trade	177.6	187.9	194.2	199.4	210.9	225.7	245.6	256.6	255.6	253.5	238.9
Wholesale	48.6	51.6	53.5	53.1	55.0	58.5	63.2	67.0	67.4	67.0	62.0
Retail	129.0	136.3	140.7	146.3	155.9	167.2	182.4	189.8	188.2	186.5	176.9
Finance, Insurance, and Real Estate	43.2	47.2	48.0	48.9	51.9	57.6	64.2	69.1	70.0	68.5	65.0
Services	123.2	130.7	137.1	142.7	151.1	162.6	175.5	185.7	191.4	192.1	187.5
Government	157.5	160.3	168.5	177.1	181.6	186.8	197.1	200.7	203.2	202.6	195.7
Federal	26.0	25.9	26.6	26.9	27.4	27.7	29.1	29.9	30.8	29.5	29.0
State	43.4	44.8	46.8	49.9	51.0	52.1	53.6	54.4	55.3	53.1	51.1
Local	88.1	89.6	95.1	100.3	103.2	107.0	114.4	116.4	117.1	120.0	115.6

(1) Includes full and part-time nonfarm wage and salary workers. Job totals are on a place of work basis and are not adjusted for multiple job holders. Data are thus not directly comparable to total employment data given elsewhere in this publication.

(2) Excludes 100 or more workers involved in labor management disputes.

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.

EXHIBIT 5

COMPARATIVE NONAGRICULTURAL EMPLOYMENT, 1982

	Oregon			U.S.		
	Employment (In thousands)	Percent of Total Manufacturing Employment	Percent of Total Nonagricultural Employment	Employment (In thousands)	Percent of Total Manufacturing Employment	Percent of Total Nonagricultural Employment
Manufacturing	185.6	100.0%	19.3 %	18,848	100.0 %	21.1 %
Durable	132.4	71.3	13.8	11,112	59.0	12.4
Lumber and Wood	55.5	29.9	5.8	614	3.3	0.7
Furniture and Fixtures	2.4	1.3	0.3	442	2.4	0.5
Stone, Clay and Glass	3.4	1.8	0.4	577	3.1	0.7
Metals	17.4	9.4	1.8	2,361	12.5	2.6
High Technology(1)	43.3	23.3	4.5	5,005	26.6	5.6
Transportation Equipment	8.0	4.3	0.8	1,726	9.2	1.9
Miscellaneous Manufacturing	2.4	1.3	0.3	387	2.1	0.4
Non-Durable	53.2	28.7	5.5	7,736	41.0	8.6
Food	23.7	12.8	2.5	1,644	8.7	1.8
Textiles and Apparel	4.5	2.4	0.5	1,907	10.1	2.1
Paper	9.7	5.2	1.0	660	3.5	0.7
Printing and Publishing	10.1	5.4	1.0	1,271	6.7	1.4
Chemicals	2.1	1.1	0.2	1,074	5.7	1.2
Miscellaneous(2)	3.1	1.7	0.3	1,180	6.3	1.3
Contract Construction	29.6	—	3.1	3,913	—	4.4
Transportation, Communication and Public Utilities	56.7	—	5.9	5,058	—	5.6
Wholesale and Retail Trade	238.9	—	24.9	20,551	—	22.9
Finance, Insurance and Real Estate	65.0	—	6.8	5,350	—	6.0
Selected Services and Mining	189.3	—	19.7	20,122	—	22.5
Government	195.7	—	20.4	15,788	—	17.6
Federal	29.0	—	3.0	2,739	—	3.1
State and Local	166.7	—	17.4	13,050	—	14.6
TOTAL	960.8			89,630		

(1) High Technology includes SIC codes Machinery, Electrical Equipment and Supplies and Instruments.

(2) Miscellaneous includes SIC codes Petroleum Refining, Rubber, Leather, and Tobacco.

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.

Manufacturing Employment Trends

The major trend which appeared in manufacturing employment in Oregon from 1972 to 1982 was the increasing diversification of the economy and decreasing dependence on lumber and wood products as the primary industry. Since 1950, lumber and wood manufacturing employment's share of total manufacturing employment has dropped from about 60% to about 29.9%.

The manufacturing of durable goods has consistently comprised a larger segment of manufacturing employment than nondurable goods. In the period from 1972 to 1982, durable goods have remained at 71-73% of total manufacturing employment, with nondurable goods staying between 27-29% of total manufacturing employment. Recessionary influences resulted in a reduction in manufacturing employment in 1981 and 1982, with employment dropping 14% from the 1980 level.

The area of manufacturing employment which has shown the greatest increase has been high technology industries including machinery, electrical equipment, instruments and electronics. Since 1954 when the industries entered Oregon, growth has been fairly steady, increasing from 12.2% of total manufacturing employment in 1970, to 23.3% in 1982.

Another area of employment growth has been in primary and fabricated metals, in which the manufacturing employment share increased from 8.8% in 1972 to 9.4% in 1982. Employment in the service sector has increased from 10.8% in 1972 to 12.2% in 1982.

Exhibit 6 lists manufacturing employers with 1,000 or more employes. About one-third of the firms are in the forest products industry.

EXHIBIT 6

STATE OF OREGON
MANUFACTURING EMPLOYERS
WITH 1,000 OR MORE EMPLOYES

Firm Name	Employment (1)	Major Product
Tektronix, Inc.	18,000	Electronic Instruments
Weyerhaeuser Co., Inc.	6,700	Lumber and Wood Products
Boise Cascade Corp.	5,100	Lumber, Wood and Paper Products
Roseburg Lumber Co.	5,100	Lumber and Wood Products
Intel Corp.	4,000	Semiconductor Integrated Circuits
Crown-Zellerbach Corp.	3,800	Wood and Paper Products
Freightliner Corp.	3,800	Transportation Equipment
Georgia Pacific Corp.	3,200	Lumber, Wood and Paper Products
Bohemia, Inc.	2,900	Forest Products
Hewlett-Packard Corp.	2,600	Electronic Instruments
Willamette Industries	2,300	Lumber and Wood Products
Champion International Corp.	2,200	Lumber and Wood Products
Medford Corp.	2,000	Lumber and Wood Products
Publisher's Paper Company	2,000	Wood Products and Paper
Stayton Canning Co. Co-op	1,600	Canned, Frozen Fruits/Vegetables
Boeing of Portland	1,600	Transportation Equipment
ESCO Corp.	1,600	Cast Construction Equipment
White Stag Mfg. Co.	1,500	Women's Sportswear
Omark Industries Inc.	1,400	Fabricated Metal Products
Teledyne Wah Chang	1,400	Zirconium Castings
Precision Castparts Corp.	1,400	Primary Metal Products
Ore-Ida Foods, Inc.	1,200	Frozen Foods
Bingham-Willamette Co.	1,100	Industrial Vacuum Pumps
Floating Point Systems, Inc.	1,100	Computer Processing Units
Northwest Marine Iron Works	1,000	Ship Repair
FMC Corp.	1,000	Railroad Freight Cars
Hyster Co., Inc.	1,000	Industrial Lift Trucks
Jantzen, Inc.	1,000	Textile Products

(1) Note: Employment figures were provided by the firms, and represent employment as of June 1981.
Source: State Department of Economic Development, Directory of Oregon Manufacturers 1982.

DURABLE GOODS
Lumber and Wood Products

Forest products, still Oregon's major manufacturing industry, is affected by timber supply and economic conditions affecting the demand for housing nationwide.

Employment in lumber and wood products between 1972 and 1982 showed short-term cyclical fluctuations due primarily to national economic trends rather than availability of timber. Cyclical trends tend to de-emphasize the long-term decline that is expected in this sector. The nonagricultural wage and salary employment for lumber and wood products was 77,300 in 1972, peaked at 83,800 in June 1979 and dropped to an average of 55,500 in 1982. By April of 1983 employment in the wood products industry had risen to 60,000, an increase of 12.8% from a year ago.

The state estimates that 49% of Oregon is forested and that the value of manufacturing from all forest products in 1981 was over $3.49 billion, down from $5.3 billion in 1979 and $4.5 billion in 1980. The state has over 24.2 million acres of commercial forest land and has ranked first among the states in sales of all forest products since 1938.

Primary and Fabricated Metals

Employment in primary and fabricated metals has increased from 16,300 in 1972 to 21,400 in 1981, an increase of 31.3%. In 1982, employment dropped to 17,400, a decline of 18.7%. Growth in this industry is related to increasing domestic and foreign needs for metal and metal products. Metals industry production requires substantial amounts of energy and may continue to be affected in the future by energy costs and supply.

High Technology

High technology has been the fastest growing industry group in the manufacturing sector. The strong emergence of high technology industries have broadened the state's industrial base, which in turn strengthened Oregon's resistance to the national economic downturn. Employment in electrical equipment and supplies increased from 3,100 in 1972 to 10,000 in 1982, an increase of 222.6%. Instruments and related products employment increased by 71.4% from 9,800 in 1972 to 16,800 in 1982, and employment in machinery manufacturing increased from 10,100 to 16,500 an increase of 63.4% in the same time period. Oregon's largest employer, Tektronix, Incorporated, is in this industry, primarily manufacturing electrical measuring instruments and test equipment. This industry expects continued growth, but at slower rates than in the past decade. The Oregon environment is well-suited to this type of work, which is facilitated by a dust-free atmosphere.

Transportation Equipment

About one-fourth of the employes involved in manufacturing transportation equipment in Oregon are working for mobile home and travel trailer companies. Other significant areas of employment are builders of truck and bus bodies, railroad cars and aircraft parts. Employment rose from 8,100 in 1972 to a high of 12,200 in 1979. Since 1979, employment dropped 15.6% in 1980, 13.5% in 1981, and 10.1% in 1982. Energy supply and demand have affected this industry as use of mass transit has stabilized and travel trailers become less practical. Employment in the manufacturing of bus and truck chassis and railroad cars may rise as employment in travel trailers decreases.

Nondurable Goods
Food and Kindred Products

Food and kindred products employment increased from 23,400 in 1972 to a high of 25,100 in 1979, an increase of 7.3%. By 1982, employment declined by 6% to 23,700. Food products as a proportion of total manufacturing employment was about 12.7% in both 1972 and 1982.

Although few job openings are expected on an annual average basis, significant numbers of short-term openings (i.e., less than three months) are available during the year because of the seasonal increase in employment brought about by agricultural harvesting activities.

Paper and Allied Products

During 1972 Oregon employed 9,600 wage and salary workers in the paper and allied products industry. By 1981 employment had increased by 7.2% to 10,300. In 1982, employment dropped 5.8% to 9,700. Inventory controls plus a glut of newsprint has kept employment needs suppressed.

Favored by growing domestic markets, the long-term outlook for the paper industry nationally is promising. The firms in Oregon producing paper products have demonstrated less sensitivity to cyclical economic trends than the lumber and plywood companies. Demand for paper and paper products remains fairly strong in both the national and international markets.

Printing and Publishing

Employment needs in the publishing and printing industry group increased between 1972 and 1982 from 7,200 to 10,100, a gain of 40.3%. This industry has remained strong in the last year, reaching the industry high in 1981 of 10,200.

Nonmanufacturing Employment Trends

Nonmanufacturing contains a wide variety of nongoods producing industries which accounted for 76.2% of nonagricultural wage and salary employment in Oregon in 1972, and rose to 80.6% in 1982. The number employed in this sector increased from 590,300 in 1972 to 816,000 in 1981 and then fell to 775,000 during the recession of 1982. The most important nonmanufacturing employment areas are construction; transportation, communication, and utilities; wholesale and retail trade; finance; services; and government.

Exhibit 7 shows graphically the growth of nonmanufacturing and trade employment between 1972 and 1982. Exhibit 8 compares Oregon and U.S. nonagricultural wage and salary employment for the period 1972 to 1982.

EXHIBIT 7

STATE OF OREGON
NONMANUFACTURING EMPLOYMENT TRENDS
1972-1982

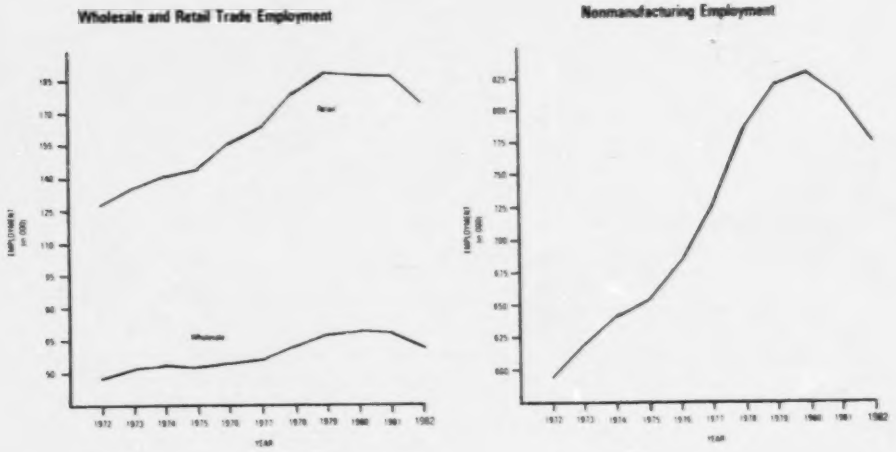


EXHIBIT 8

COMPARATIVE INDEXED NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

	Oregon Data (000)		National Data (000)	
Year	Annual Average	Index(1)	Annual Average	Index(1)
1972	774.3	82.6	73,675	89.3
1973	816.2	87.1	76,790	93.1
1974	837.9	89.4	78,265	94.9
1975	837.4	89.3	76,945	93.3
1976	878.5	93.8	79,382	96.3
1977	936.9	100.0	82,471	100.0
1978	1,009.4	107.7	86,697	105.1
1979	1,056.2	112.7	89,823	108.9
1980	1,044.6	111.5	90,406	109.6
1981	1,018.4	108.7	91,105	110.5
1982	960.8	102.5	89,630	108.7

(1) The index is based on the 1977 annual average. Using 100 as the base, the index is determined by dividing the annual average for the current period by the annual average for 1977.

Source: Oregon Department of Human Resources, Employment Division

Contract Construction

Long-range employment requirements in contract construction are difficult to project because of the types of variables which affect construction activity. Examples of these variables are the national economy, strike activity, and housing demand.

Employment in this section grew from 36,800 in 1972 to a high of 53,000 in 1979. Hit hard by recession, contract construction industries reported employment of only 29,600 in 1982. This represented 3.8% of all nonmanufacturing employment. Employment in the construction industry continued its decline in 1982 due to weakness in nonresidential building activity and the lack of demand for housing.

Transportation, Communications and Public Utilities

Employment in the transportation, communication, and public utilities group rose from 50,300 to 56,700 in the period from 1972 to 1982, an increase of 12.7%. In 1982 this group comprised 5.9% of nonmanufacturing employment.

Wholesale and Retail Trade

The trade industries grew by 34.5% between 1972 and 1982. Employment rose to 238,900 in 1982, up from 177,600 in 1972. Employment dropped in 1982 from 253,500 in 1981, a decline of 5.8%. During this decade, employment in retail trade rose at a more rapid rate than wholesale trade (37.1% to 27.6%). All trade represented 30.8% of nonmanufacturing employment in 1982 and 24.9% of all nonagricultural wage and salary employment.

Finance, Insurance and Real Estate

Growth in this area was significant between 1972 and 1980. Peak employment for the period of 70,000 was reached in 1980 and then fell off to 65,000 in 1982. The increase in employment in this sector between 1972 and 1982 was 50.5%. The 1982 decline can be attributed, in part, to closure of recession weakened real estate offices and mergers of financial institutions.

Services

Service employment grew from 123,200 in 1972 to 187,500 in 1982, an increase of 52.2%. This area comprises 24.2% of nonmanufacturing employment.

Growth in employment in this industry group has resulted primarily from increases in population, disposable income and a growing demand for personal, business, medical and protective services. Gains have also been made in private education and amusements.

Government

Most government employment in the state is with state and local governments. The federal government employed 29,000 persons in Oregon in 1982, an increase of 11.5% over 1972 levels, but below peak employment of 30,800 in 1980.

State employment also reached its highest level in 1980 at 55,300 and then declined to 51,100 in 1982. The state's employment change over the 1972-1982 periods was +17.7%. Greatest growth occurred at the local level where employment rose from 88,100 in 1972 to 115,600 in 1982 - an increase of 31.2%. When 1982 is compared with 1981 data, local governments had 4,400 fewer employes, state government had 2,000 fewer employes and the federal government had 500 fewer employes. The 1979 Legislative Assembly enacted a law limiting state government employment to not more than 1.6% of the state's official population. Certain employe groups are exempt from this limitation.

Exhibit 9 compares 1982 manufacturing employment in Oregon to the United States by type of industry.

Exhibit 10 summarizes employment and unemployment data as compared to the United States for 1970 through April of 1983.

EXHIBIT 9

COMPARATIVE MANUFACTURING EMPLOYMENT, 1982

Manufacturing by Industry	Oregon		U.S.	
	Employment (In thousands)	Percent of Total Manufacturing	Employment (In thousands)	Percent of Total Manufacturing
Lumber and Wood	55.5	29.9%	613.9	3.3%
Furniture and Fixtures	2.4	1.3	441.7	2.3
Stone, Clay and Glass	3.4	1.8	577.2	3.1
Primary Metals	8.0	4.3	918.3	4.9
Fabricated Metals	9.4	5.1	1,442.6	7.7
Machinery	16.5	8.9	2,288.7	12.2
Electrical Equipment and Supplies	10.0	5.4	2,011.2	10.7
Transportation Equipment	8.0	4.3	1,726.0	9.2
Instruments	16.8	9.1	705.2	3.7
Miscellaneous Manufacturing	2.4	1.3	387.3	2.1
Food	23.7	12.8	1,644.0	8.7
Textiles	1.8	1.0	748.9	4.0
Apparel	2.7	1.5	1,158.3	6.2
Paper	9.7	5.2	659.5	3.5
Printing and Publishing	10.1	5.4	1,270.7	6.8
Chemicals	2.1	1.1	1,074.0	5.7
Petroleum Refining	0.5	0.3	206.8	1.1
Rubber	2.3	1.2	697.8	3.7
Leather	0.3	0.2	210.1	1.1
	185.6	100.0%	18,782.2	100.0%

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics

EXHIBIT 10

COMPARATIVE
UNEMPLOYMENT AND UNEMPLOYMENT RATES
(Annual Averages, In Thousands)
(Not seasonally adjusted)

Date	Civilian Labor Force		Unemployed		Unemployed Rate		Oregon Rate as % of U.S. Rate
	OR	U.S.	OR	U.S.	OR	U.S.	
1970	865	82,771	62	4,093	7.1%	4.9%	144.9%
1971	903	84,382	68	5,016	7.6	5.9	128.8
1972	959	87,034	66	4,882	6.8	5.6	121.4
1973	1,001	89,429	62	4,365	6.2	4.9	126.5
1974	1,015	91,949	76	5,156	7.5	5.6	133.9
1975	1,039	93,775	110	7,929	10.6	8.5	124.7
1976	1,068	96,158	102	7,406	9.6	7.7	124.7
1977	1,130	99,009	83	6,991	7.3	7.1	102.8
1978	1,196	102,251	72	6,202	6.0	6.1	98.4
1979	1,217	104,962	83	6,137	6.8	5.8	117.2
1980	1,271	106,940	105	7,637	8.2	7.1	115.5
1981	1,337	108,670	132	8,273	9.9	7.6	130.3
1982	1,316	110,204	152	10,678	11.5	9.7	118.6
January, 1983	1,309	109,779	177	12,517	13.5	11.4	118.4
February	1,317	109,647	173	12,382	13.1	11.3	115.9
March	1,326	109,873	162	11,879	12.2	10.8	113.0
April	1,333	109,875	148	11,035	11.1	10.0	111.0
May	1,344	110,308	137	10,765	10.2	9.8	104.1
June	1,371	113,383	125	11,570	9.1	10.2	89.2
July	1,350	113,980	128	10,707	9.5	9.4	101.6
August(1)	1,347	113,578	123	10,411	9.1	9.2	98.9

(1) Preliminary Data

Source: State of Oregon, Department of Human Resources, Employment Division

EXHIBIT 11

STATE OF OREGON OCCUPATIONAL EMPLOYMENT TRENDS, 1981-90
(Annual Averages)

Occupational Title	1981		Projected 1990		Change	
	Empl.	Pct.	Empl.	Pct.	1981-90	% Change
Professional and Technical	161,760	15.6%	191,270	15.0%	29,510	18.2%
Managers and Officers	86,630	8.4	107,990	8.5	21,360	24.7
Sales	81,670	7.9	104,350	8.2	22,680	27.8
Clerical	212,640	20.6	257,810	20.3	45,170	21.2
Craftworkers and Supervisors	112,560	10.9	143,190	11.3	30,630	27.2
Operatives	143,510	13.9	183,030	14.4	39,520	27.5
Services	162,010	15.7	197,650	15.5	35,640	22.0
Laborers, Excluding Farm	63,060	6.1	75,210	5.9	12,150	19.3
Farm Workers	10,230	1.0	10,820	0.9	590	5.8
TOTAL	1,034,070	100.0%	1,271,320	100.0%	237,250	22.9

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.

Projections for Broad Occupational Groups

Total wage and salary employment growth is expected to create approximately 237,250 new jobs between 1981 and 1990. This represents a continuation of the overall economic expansion Oregon experienced during the previous decade.

Overall total wage and salary employment should increase 22.9% between 1981 and 1990. This will differ in the major occupational group levels. The fastest growing group for the same time interval is expected to be sales occupations increasing 27.8%, while the slowest is expected to be farm workers, increasing 5.8%. In 1990 white collar wage and salary workers should total approximately 661,420 and will account for about 52% of total wage and salary employment. Blue collar workers are expected to increase from about 329,360 in 1981 to 412,250 in 1990. At that time, blue collar workers are expected to represent about 33% of total wage and salary employment, up only 1% from about 32% in 1981. Service occupations comprise the third largest occupational group in Oregon. Employment in this group is expected to expand from 162,010 in 1981 to an estimated 197,650 in 1990 and will account for roughly 15.5% of all wage and salary employment.

Exhibit 11 projects occupational employment trends through 1990.

ECONOMIC CHARACTERISTICS

Agriculture

Agriculture is usually considered to be Oregon's second leading industry, with gross farm sales of over $1.67 billion in 1982. Oregon's highly diversified agricultural base reported 82 commodities with sales of $1 million or more in 1982. Of this number, 26 reported gross sales of $10 million or more. This diversity is facilitated by the state's varied topography, rich soil and moderate climate.

Oregon agriculture continues to follow the national trend of increasing capital intensity. Agricultural employment has been decreasing as constant dollar output has increased. Although every county in the state is involved in agricultural production, activity is concentrated in the fertile Willamette Valley. Recent agricultural expansion has been the result of more efficient methods and the increasing use of irrigation.

The top ten cash commodities for 1982 were: cattle and calves, $309.3 million; wheat, $260.4 million; dairy, $183.0 million; nursery crops, $85.1 million; potatoes, $73.2 million; alfalfa hay, $53.4 million; chicken eggs, $36.4 million; farm forest products, $29.2 million; Christmas trees, $28.5 million; and processed sweet corn, $28 million. A description of farm cash receipts by general commodity group for recent years is provided in Exhibit 12.

EXHIBIT 12

OREGON GROSS FARM SALES

Commodity	Value (Millions of dollars) 1977	1978	1979	1980	1981	1982(1)	1982 Percent of Total Value
ALL CROPS	$696.8	$812.5	$906.3	$1,102.6	$1,136.9	$1,047.3	62.5%
Grains	148.0	200.4	234.6	336.8	328.3	305.0	18.2
Hay and Silage	44.5	39.6	48.2	63.3	55.2	68.8	4.1
Grass and Legume Seeds	78.3	81.0	94.2	102.1	106.4	94.2	5.6
Field Crops	138.3	132.5	118.7	155.2	163.3	135.5	8.1
Tree Fruits and Nuts	71.2	91.4	105.8	98.7	96.5	93.3	5.6
Small Fruits and Berries	32.3	34.7	38.5	31.5	35.5	48.7	2.9
All Vegetable Crops	80.1	93.6	93.7	114.0	139.6	109.8	6.6
Specialty Products	104.0	139.3	172.8	201.1	212.2	192.0	11.5
ALL LIVESTOCK AND PRODUCTS	370.7	444.5	608.7	560.8	598.0	627.2	37.5
Cattle and Calves	180.0	230.0	360.0	290.0	295.0	309.3	18.5
Dairy Products	103.6	114.6	133.3	151.5	166.8	183.0	10.9
Eggs and Poultry	50.4	54.8	61.4	61.3	70.1	71.5	4.3
Miscellaneous Animals	36.7	45.1	54.0	58.0	66.1	63.3	3.8

(1) Preliminary data

Source: Oregon State University, Extension Economic Information Office.

Housing

The Oregon housing industry has typically mirrored that of the nation as a whole in that it is subject to cyclical downturns. The problems for Oregon's market in the past recession has been compounded by high interest rates, which have limited the bond issuances of the state's Department of Veterans' Affairs. In periods of more moderate interest rates, the DVA has been one of the state's most active mortgage lenders. The DVA's inability to market bonds at rates attractive to qualifying veteran borrowers has contributed to a negative situation in the housing industry for the past two years. Conditions appear favorable for a sustained housing recovery through the end of the next year.

If the slow population growth recorded by Oregon in 1982 is indicative of a long-term pattern of more moderate expansion, the housing industry will not be rebounding to levels of activity experienced in the mid-1970s. However, continued improvement in interest rates should continue to stimulate recovery in this sector. The State Housing Division reported 900 building permits were authorized for March of 1983, which is the highest figure reported since July of last year. The 900 units represents an increase of over 46% compared to the level of activity recorded in March 1982. Since March, single family permit activity has steadily increased from a year ago, while multi-family dwellings permits have declined.

Exhibit 13 summarizes the annual totals for building permit activity since 1972.

EXHIBIT 13

OREGON BUILDING PERMITS

Year	Single-Family Dwellings	Percent Change	Multi-Family Dwellings	Percent Change
1972	14,213	— %	16,128	— %
1973	13,153	- 7.5	9,639	-40.2
1974	10,732	-18.4	4,739	-50.8
1975	14,527	+35.4	5,617	+18.5
1976	20,505	+41.2	10,687	+90.3
1977	25,986	+26.7	13,506	+26.4
1978	25,316	- 2.6	12,901	- 4.5
1979	17,426	-31.2	10,162	-21.2
1980	13,525	-22.4	5,651	-44.4
1981	8,016	-40.7	4,102	-27.4
1982	4,881	-39.1	2,470	-39.8
1983 (thru 6/30)	3,267	—	865	—

Source: State of Oregon, Department of Commerce, Housing Division.

Population

Oregon's July 1, 1982 population was determined to be 2,656,185 by Portland State University's Center for Population Research and Census, the state's official bureau for population data. Since 1960, the state's population has increased by approximately 50%. In 1976, the Center projected a population ranging from 3,019,900 to 3,761,800 by the year 2000, an increase of about 14% to 42% for the next twenty years. A new estimate is expected to be released by January 1984.

Based on percent change (25.9% from April 1, 1970 to April 1, 1980), Oregon ranked thirteenth among the states in rate of population growth. In 1977 and 1978, Oregon recorded population increases of more than three times the national average. In 1981 this trend was reversed as Oregon grew by only 0.78% compared to the national rate of .95%. From July 1, 1981 to July 1, 1982, the state's population dropped .17%, with a net-outmigration of 25,000.

There are four major urban population areas in Oregon. The City of Portland located in Multnomah County, is the state's largest city and had a population of 368,100 as of July 1, 1982. The Oregon portion of the Portland Standard Metropolitan Statistical Area (SMSA), which is comprised of Clackamas, Multnomah, and Washington counties had a population of 1,069,300 at that time (not included in that figure is Clark County, Washington, which is a part of the Portland SMSA).

The second largest urban center is the Eugene metropolitan area located in Lane County at the southern end of the Willamette Valley. Eugene had a population of 104,000 as of July 1, 1982 and the Eugene-Springfield SMSA had a population of 270,650 on that date. Salem, the state's third largest city, had a population of 91,400 on July 1, 1982. Salem is situated in the heart of the Willamette Valley and serves as the State Capitol. In addition, the City of Medford, and Jackson County, were designated as a new SMSA as a result of the 1980 Census. The population of the Medford SMSA as of July 1, 1982 was 133,725.

As can be seen from this description of population distribution, most of the state's residents are located in the Willamette Valley. Approximately 68% of Oregon's population reside in this valley.

Exhibit 14 presents comparative population information for Oregon and the United States between 1940 and 1982.

EXHIBIT 14

COMPARATIVE
POPULATION GROWTH
OREGON AND UNITED STATES, 1940-1982
(As of July 1)

Year	Oregon	% Change	United States	% Change
1940	1,090,000	—	132,165,000	—
1950	1,521,000	39.54%	151,326,000	14.50%
1960	1,769,000	16.31	179,323,000	18.50
1970	2,091,500	18.23	203,984,000	13.75
1971	2,143,000	2.46	206,827,000	1.39
1972	2,183,300	1.88	209,284,000	1.19
1973	2,224,900	1.91	211,357,000	0.99
1974	2,266,000	1.85	211,389,000	0.02
1975	2,299,000	1.46	213,051,000	0.79
1976	2,341,800	1.86	214,680,000	0.77
1977	2,396,100	2.32	216,400,000	0.80
1978	2,521,850	5.25	218,228,000	0.85
1979	2,584,350	2.48	224,567,000	2.90
1980	2,639,915	2.15	227,156,000	1.15
1981	2,660,735	0.78	229,307,000	0.95
1982	2,656,185	−0.17	231,479,000	0.95

Sources: 1940-1960 — State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.
1970-1982 — Center for Population Research, Portland State University (estimates are as of July 1 of year shown).

Personal Income

Per capita personal income as a percentage of the national average has risen steadily in the last decade from 94.1% in 1970 to 100.1% in 1979. The average increase in per capita income in Oregon for 1970 through 1979 was 9.87% compared with 9.12% for the United States. In recent years the rate of growth of per capita income in Oregon has slowed to slightly less than the national average.

The Oregon Department of Energy forecasts an average annual real rate of growth of total personal income of 2.5% through the year 2000, and a real per capita average annual rate of increase of about 1.2%. The projected personal income growth rate is down 1.5% from the actual growth rate experienced between 1970 and 1980.

Exhibit 15 shows per capita personal income since 1960 for Oregon, the United States and three of Oregon's Standard Metropolitan Statistical Areas, Portland, Eugene and Salem.

Exhibit 16 shows total personal income, rates of change, and comparisons to the United States for the period from 1950 to 1982.

Consumer Price Index

Between 1972 and 1980, inflation in the Portland SMSA increased more rapidly than in the nation as a whole. In 1972, the Portland Consumer Price Index (CPI) was only 95.4% of the national average. By 1979 that relative measure had climbed to 103.7%. However, in the last two years, inflation in Portland has slowed to an annual average rate of 8.9% in 1981 and 3.2% in 1982, while the national rate has slowed to 10.4% in 1981 and 6.1% in 1982. Exhibit 17 shows the change in CPI since 1970 for the Portland SMSA and the United States.

EXHIBIT 15

COMPARATIVE PER CAPITA INCOME 1960-1982 (Current Dollars)

Year	Portland SMSA	Eugene SMSA	Salem SMSA	Oregon	Percent Change	U.S.	Percent Change	Oregon as Percent of U.S.
1960	—	—	—	$2,218	—	$2,216	—	100.1%
1970	$ 4,167	$3,251	$3,398	3,711	69.1%	3,945	79.2%	94.1
1971	4,463	3,521	3,654	3,956	6.6	4,167	5.6	94.9
1972	4,860	3,880	3,995	4,346	9.9	4,515	8.4	96.3
1973	5,363	4,349	4,615	4,835	11.3	5,010	11.0	96.5
1974	5,945	4,675	4,996	5,335	10.3	5,448	8.7	97.9
1975	6,417	5,128	5,345	5,723	7.3	5,842	7.2	98.0
1976	7,116	5,847	5,981	6,368	11.3	6,367	9.0	100.0
1977	7,831	6,640	6,546	6,998	9.9	6,984	9.7	100.2
1978	8,813	7,382	7,180	7,844	12.1	7,776	11.3	100.9
1979	9,781	8,069	7,915	8,664	10.4	8,657	11.3	100.1
1980	10,636	8,404	8,414	9,356	8.0	9,503	9.8	98.4
1981	11,565	9,026	9,006	10,017	7.1	10,582	11.3	94.7
1982	—	—	—	10,335	3.2	11,107	5.0	93.1

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

EXHIBIT 16

COMPARATIVE PERSONAL INCOME 1950-1982 (Billions of Current Dollars)

Year	Oregon	Percent Change	U.S.	Percent Change	Oregon as % of Total
1950	$ 2.5	—	$ 225.7	—	1.11%
1960	3.9	56.0%	398.8	76.7%	0.98
1970	7.8	100.0	803.9	101.6	0.98
1971	8.5	9.0	861.9	7.2	0.99
1972	9.5	11.8	944.9	9.6	1.01
1973	10.8	13.7	1,058.9	12.1	1.02
1974	12.2	13.0	1,162.2	9.8	1.05
1975	13.3	9.0	1,258.6	8.3	1.06
1976	15.1	13.5	1,385.2	10.1	1.09
1977	17.1	13.2	1,534.7	10.8	1.11
1978	19.7	15.2	1,727.0	12.5	1.14
1979	22.3	13.2	1,943.9	12.6	1.15
1980	24.7	10.8	2,158.7	11.0	1.14
1981	26.7	8.1	2,426.9	12.4	1.10
1982	27.4	2.6	2,571.6	6.0	1.07

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

EXHIBIT 17

**CONSUMER PRICE INDEX(1)
FOR OREGON AND U.S.
(Annual Averages)**

Year	Portland SMSA	United States	Portland CPI as Percent of U.S. CPI
1970	113.2	116.3	97.3%
1971	116.1	121.3	95.7
1972	119.5	125.3	95.4
1973	127.3	133.1	95.6
1974	142.8	147.7	96.7
1975	156.5	161.2	97.1
1976	167.0	170.5	97.9
1977	180.2	181.5	99.3
1978	198.4	195.4	101.5
1979	225.4	217.4	103.7
1980	255.4	246.8	103.5
1981	278.2	272.4	102.1
1982	287.0	289.1	99.3

(1) The Consumer Price Index is computed using 1967 = 100 as base year. All urban consumers.

Source: U.S. Bureau of Labor Statistics

Energy
State Energy Policy

Historically, the Pacific Northwest energy picture has been dominated by the availability of plentiful, low-cost hydroelectric power. Although electricity is still less expensive in Oregon than in many other areas of the country, the last major hydro generating plant on the Columbia River was completed in 1975. National shortages and dependence on imported oil, rapid population growth and increasing energy consumption in the state over the past decade, and the lack of a comprehensive federal energy program have contributed to the state's decision to formulate and implement its own energy policy.

The 1975 Legislature set the framework for Oregon's energy planning with the creation of the Oregon Department of Energy, which has responsibility for implementing and managing the state's energy policy. The 1977 and 1979 legislative sessions adopted conservation and renewable resource incentive programs by which the state could pursue goals adopted in 1975.

The Department of Energy has responsibility for energy conservation, renewable resources, energy planning, long-range supply and demand forecasting, energy facility siting, and regulation and monitoring.

Oregon's Energy Facility Siting Council has jurisdiction over major energy facilities in Oregon. During 1982, the Council reviewed its 1981 Need-for-Power Plan to reflect new programs and policies adopted by the 1981 legislature and instituted under the Regional Power Act. The Need-for-Power plan was revised in January 1983 to more clearly define choices available to Oregon and to have Oregon's perspectives reflected in the Regional Energy Plan and its programs. The Regional Energy Plan was adopted April 27, 1983, and the State's Siting Council will review and adopt its plan where changes are appropriate.

Oregon moved ahead in 1982 in several energy arenas that promote saving energy and money through conservation, and increased reliance on sustainable energy resources. During 1982, the Energy Facility Siting Council considered applications for a transmission line from Eugene to Medford, and a disposal site for low-level radioactive wastes. State legislation adopted in 1981 authorized the Siting Council to site within Oregon certain low-level radioactive waste disposal facilities. A comprehensive program regulating such shipments went into effect in 1982. ODOE licenses shippers and ensures effective coordination among the state and local agencies involved. Three state agencies are responsible for inspection and accident response.

New initiatives proposed by Governor Atiyeh and adopted by the 1981 legislature became effective in 1982. Comprehensive residential weatherization services were offered by electric and natural gas utilities. These services include energy audits and cash grants (maximum $350) or low interest loans. Separate legislation endorsed by the Governor offers free home energy audits and low-interest weatherization loans to residential fuel oil customers. Commercial customers will also receive energy audits through gas and electric utilities. Business and industry received tax credits for alternate energy, waste heat recovery, conservation, and recycling. These tax credits are available for up to 35% of costs and the collective eligible investments may total $40 million annually.

Energy Supply Trends

The State of Oregon Department of Energy reports that electricity, natural gas, petroleum, and wood residues have been our primary energy sources. In the mid-1970's, renewable resources other than hydro and wood, entered the state energy market. Energy conservation also became a viable energy source.

The Energy Department estimates that electricity comprised about 26% of Oregon's conventional energy consumption in 1980 for the bulk of the Northwestern states relatively cheap electricity is from hydro generation, rather than from thermal power plants which are used in most other states. The major generating projects in the state are the hydro dams on the Columbia River, the Trojan nuclear plant, and the Boardman coal-fired plant. Many smaller hydro projects are located on various Oregon rivers.

Electricity is marketed by investor-owned utilities, publicly-owned utilities, and the Bonneville Power Administration (BPA). Investor-owned utilities sold 64% of the electricity consumed in Oregon in 1981. Publicly-owned utilities, which get most of their electricity from BPA, sold 23% of the state's electricity, and BPA sold the remaining 13% directly to direct-service industrial customers.

Petroleum products accounted for 59% of the conventional energy consumption in Oregon in 1980. Petroleum products consumed include gasoline, distillate and residual fuel oils, liquid petroleum gas, jet fuel, and kerosene. The bulk of the supply comes from Puget Sound refineries, with some transported by rail and truck from California, and from Salt Lake City through the Chevron pipeline. Oregon's consumption reflects the instability in the international oil market of the 1970's. Since 1979, each year's consumption has been lower than that of the previous year. Gasoline consumption per person fell 19.7% between 1978 and 1980.

Consumption of natural gas peaked in 1973 when it provided 21 percent of the state's energy resources. In 1980, consumption declined to about 15% of total energy consumption, with further declines taking place in 1981 and 1982. The primary reason for the decline in consumption has been the dramatic price increases. In 1980, two-thirds of Oregon's supply was imported from Canada. Currently, about half of the supply is imported from Canada, with the remainder coming from the Rocky Mountains and the Southwest.

Oregon has more than 60 operating hydroelectric projects with a combined capacity of 1,500 megawatts, with another 7,000 megawatts of capacity installed in the seven Columbia and Snake River dams on the state's borders. Suppliers are looking at smaller sites for projects of 25 megawatts or less. Within the last two years the state has seen the beginning of development of 45 hydro-electric projects, which will meet the electricity needs of 7,000 homes.

Oregon has abundant renewable resources, particularly in geothermal energy. The Oregon climate is also well suited to the use of passive solar energy and wind systems. Government programs and efforts by private enterprise have combined to develop a variety of alternate energy resources. The forest products industry has historically used self-generated residues as fuel to meet its energy needs.

In November 1980, Congress passed the Pacific Northwest Electric Power Planning and Conservation Act. The bill establishes a mechanism for planning and financing new energy resources on a regional basis. Substantial funding is provided under the bill to promote conservation and renewable resources throughout the region.

The Act established a Regional Planning Council to develop a regional conservation and electric power supply plan by April 1983. The eight member council comprises representatives of Idaho, Montana, Oregon and Washington. The council worked in 1982 to assess the electricity demand of the Northwest and the cost and availability of resources to meet that demand. The Regional Power Act stresses conservation, renewable resources, and cogeneration. The Act directed the Council to complete a program aimed at protecting and enhancing the fish and wildlife along the Columbia River System and increasing water flows to carry the fish down the Columbia to the Pacific Ocean. The council adopted a 20-year plan on April 23, 1983.

The State's Energy Facility Siting Council has jurisdiction over major energy facilities in Oregon. The Siting Council revised the state's Need-for-Power Plan in January 1983 to more clearly define choices available to Oregon under policies adopted by the 1981 legislature, and those instituted under the Regional Power Plan.

The 1979 Oregon legislature approved legislation authorizing loans to individuals, small businesses, nonprofit organizations and municipal corporations for small-scale alternative energy projects. Funds for the loans are obtained through sale of general obligation industrial development bonds.

Conservation has central emphasis in Oregon's energy program. The perspective is positive, viewing conservation as a source of energy, rather than in the negative sense of cutbacks in the quality of life. This viewpoint is reflected in the Pacific Northwest Regional Power Plan, which treats conservation as a resource that must be fully exploited before new thermal plants can be built.

Conservation programs in the state include weatherization programs, a stringent building code, consideration of energy as a factor in land use planning, and numerous means of facilitating a flow of technoligical information between the state, individual homeowners and the private sector. In its efforts the state has attempted to avoid duplication of efforts and expertise existing in the private sector.

Use of Energy in Manufacturing

Total energy use in Oregon's manufacturing sector as a whole has increased very slowly despite substantial increases in employment and production. Between 1971 and 1979, purchased energy use in Oregon manufacturing increased by only 6% despite a 70% rise in real value added and a 26% percent increase in employment. However, electricity use increased by about 30% during that period. At the same time, purchased fuel use decreased by about 5%. In particular, these trends in energy, electricity, and fuel use held for the food, lumber and wood, and paper industries. Conservation efforts likely explain the different growth rates for electricity and purchased fuels, apparently caused by increasing energy prices. Between 1971 and 1979, purchased electricity prices increased about 80%, petroleum prices about 170%, and natural gas prices about 270%, after adjusting for inflation.

Exhibit 18 shows energy consumption by type in Oregon since 1960.

Energy Forecasts

The Oregon Department of Energy forecast in its Seventh Annual Report of January 1983 energy needs for the state by a complex methodology using end-use analysis and econometric modeling. Forecasts include projections of population, employment, energy intensiveness of manufacturing, income, price, consumption, energy sources, and consumption by sector.

Energy demand is forecasted to continue to grow but at a slower rate than in the past. Oregon's total energy demand will increase at an average annual rate of 1.2% through 2002. That growth rate implies that Oregonians will use 27% more energy in 2002 than in 1982. A significant portion of the growth, especially in the period 1982-1986 is due to recovery from the current recession. By 1987, total energy consumption is expected to recover to the 1980 level. Although less than historical rates, this growth is significant and is the result of an expected moderate growth in population and a healthy economy. Population, however, is forecasted to grow at a slower rate than in the past. Population is expected to increase by 392,600 persons over the period 1980-1990 compared to 541,600 during 1970-1980.

The Seventh Annual Report of the Department of Energy is available from the State of Oregon Department of Energy (503) 378-4040.

EXHIBIT 18

STATE OF OREGON
CONSUMPTION OF ENERGY BY TYPE 1960-1980
(Trillion BTU)

Year	Coal	Natural Gas (Dry)	Petroleum	Nuclear Power	Hydro-electric Power(1)	Wood and Waste(2)	Sub Total	Electricity Exchanged Across State Borders(3)	Total Energy Consumed
1960	10.0	31.9	227.9	0.0	134.1	0.3	404.2	28.1	432.3
1961	10.5	35.0	227.2	0.0	133.0	0.2	406.1	34.3	440.4
1962	10.0	39.2	237.0	0.0	140.6	0.3	427.1	35.8	462.9
1963	8.4	44.7	246.5	0.0	142.9	0.3	442.9	38.4	481.3
1964	7.7	55.7	265.7	0.0	157.0	—	486.1	48.9	535.0
1965	8.0	57.9	261.2	0.0	172.6	0.3	499.9	46.7	546.6
1966	7.4	67.2	278.4	0.0	174.1	0.5	527.5	59.6	587.1
1967	5.5	72.1	277.0	0.0	186.3	—	540.9	62.3	603.2
1968	4.5	81.7	296.4	0.0	212.6	—	595.2	51.9	647.1
1969	4.6	90.6	309.7	0.0	291.4	—	696.4	-5.8	690.6
1970	3.7	98.2	313.4	0.0	313.9	0.5	699.6	-15.0	714.6
1971	4.2	104.0	331.3	0.0	360.1	0.3	799.9	-41.0	758.9
1972	2.7	113.3	365.1	0.0	378.6	0.6	860.4	-54.7	805.7
1973	2.7	110.1	369.2	0.0	292.4	0.6	775.0	46.7	821.7
1974	4.1	100.4	346.0	0.0	376.0	0.5	827.0	-19.4	807.6
1975	3.0	112.1	328.6	—	359.6	—	803.4	27.7	831.1
1976	7.3	94.3	332.7	23.2	367.0	0.5	825.0	15.1	840.1
1977	6.8	73.9	359.9	69.9	254.5	2.7	767.7	71.1	838.8
1978	6.4	87.5	384.4	17.1	330.6	1.4	827.5	71.1	898.6
1979	6.4	95.4	391.2	47.8	309.2	2.2	852.3	75.0	927.3
1980	14.1	80.5	369.4	57.4	312.9	1.7	836.0	60.0	896.0

(1) Includes industrial and utility production.

(2) Consumed at utilities to produce electricity.

(3) Imports (export) of electricity to Oregon.

Note: Totals may not equal sum of components due to rounding.

Note: Totals do not included wood derived fuel consumed by the pulp and paper industry which amounted to an estimated 1.0 quadrillion BTU in the United States in 1978. Also excludes small quantities of other energy sources for which consistent historical data are not available, such as solar energy obtained by the use of thermal and photovoltaic collectors; wind energy; and geothermal, biomass, and waste energy other than that consumed at the electric utilities.

Source: U.S. Department of Energy, Energy Information Administration, State Energy Data Report, April 1980.

International Trade and Exports

Like other segments of Oregon's economy, geography and natural resources have played a role in the development of the state's international trade activities. The majority of the state's international trade occurs through the Port of Portland, where an efficient system for dealing with a large number of vessels has been developed, including modern grain elevators, cranes, break-bulk and containerized cargo facilities, and ship repair and drydock facilities. Other important ports are located at the coastal cities of Astoria, Newport and Coos Bay. The state has a total of twenty-three port districts - all located on navigable waterways.

The Port of Portland is one of the leading export ports on the West Coast. Grain is the principal export commodity and in fiscal 1981, the Port of Portland shipped 5,010,563 tons, an increase of 29.8% over 1980. The 1982 level remained stable at 5,046,155 tons, with a decline of 18.2% in 1983 to 4,028,500 tons. The Port is the leading auto import center on the coast, currently handling 267,290 cars a year. The total tonage of all items shipped through the Port (excluding grain) was 2,147,209 in fiscal 1982, increasing by 8.5% in 1983 to 2,329,819 tons.

The Oregon Customs District (which includes Astoria, Coos Bay, Newport and Portland and the Washington ports of Vancouver, Kalama, and Longview) has had a substantial trade surplus throughout the decade. Both imports and exports have grown significantly in the past ten years. Grains have dominated exports while automobiles are the principal import item. Exhibit 19 presents value of exports and imports of the Oregon Customs District from 1969 to November of 1982. Customs District data do not necessarily represent products of Oregon or having Oregon as final destination and exclude certain air cargos. For 1982, exports and imports show 14.6% and 6.2% declines, respectively. The first 3 months of 1983 show exports at 6.7% above the 1982 level.

EXHIBIT 19

STATE OF OREGON
OREGON CUSTOMS DISTRICT EXPORTS AND IMPORTS
1969-1982
(Millions of Current Dollars)

Year	Exports	% Change	Imports	% Change	Export Surplus
1969	$ 665.7	—	$ 357.4	—	—
1970	786.9	+ 18.2%	382.1	+ 6.9%	404.8
1971	576.7	− 26.7	412.5	+ 8.0	164.2
1972	791.4	+ 37.2	484.6	+17.5	306.8
1973	1,697.2	+114.5	605.2	+24.9	1,092.0
1974	2,250.7	+ 33.1	903.5	+49.3	1,347.2
1975	1,982.2	− 12.3	809.0	−10.5	1,173.2
1976	2,134.9	+ 7.7	1,108.2	+37.0	1,026.7
1977	1,798.3	− 15.8	1,551.4	+ 3.9	246.9
1978	2,414.8	+ 34.3	2,055.7	+78.5	359.1
1979	3,063.6	+ 26.9	2,361.8	+14.9	701.8
1980	3,761.4	+ 22.8	2,623.9	+12.1	1,137.5
1981	3,882.6	+ 3.2	2,805.6	+ 6.9	1,077.0
1982	3,316.0	− 14.6	2,631.7	− 6.2	684.3

Source: U.S. Department of Commerce, Portland District Office.

Tourism

Oregon has many outstanding features which favor development of tourism. The state is noted for protection of its clean environment and natural scenic beauty. Within state boundaries exist major mountain ranges, vast coastal and desert regions, and multi-use and wilderness forest areas. The state has over 400 miles of seacoast, 47,000 miles of streams, 1,400 lakes and reservoirs, 225 state parks and a national park. While summer is traditionally the peak vacation season, tourism contributes all year to the state's economy and is enhanced by a mild, comfortable climate throughout the year and a wide variety of available leisure activities.

Over 11.9 million pleasure travelers were recorded in 1981, an increase of 9.1% over 1980. Estimates were made of 11.8 million in 1982. The average traveler stayed in Oregon 5.6 days in 1982. Despite a weak national economy, out-of-state tourist counts dropped only 1% from 1981 to 1982.

The overall impact of tourism on Oregon's economy is difficult to estimate. Tourism consists of segments of the retail trade, service and transportation industries. The availability and price of motor fuel usually affects the number of out-of-state visitors each year, but the impact of this variable is off-set somewhat by the number of Oregonians choosing to vacation within the state.

By bringing in capital from outside the state, tourism has a significant impact on income and employment levels. The Oregon State Highway Division estimated an increase in tourist expenditures of 11.4% between 1980 and 1981 with a 1981 total of $1.27 billion. In 1982, it was estimated that out-of-state travelers spent $1.4 billion in Oregon, an 11% increase over 1981. Favorite spots for travelers are the Oregon Coast, the Portland/Columbia Gorge/Mt. Hood areas, and Southern Oregon.

Post Secondary Education

The Oregon State Board of Higher Education is the governing board for the Oregon State System of Higher Education. Apprxomately 59,267 students attend the eight institutions composing the system. Enrollment is projected to decrease slightly over the next five years. The state operates four universities: the University of Oregon in Eugene, Oregon State University in Corvallis, Portland State University in downtown Portland and the Oregon Health Sciences University which consists of Medical, Dental and Nursing Schools located in Southwest Portland. Other state schools include Eastern Oregon State College, Western Oregon State College, the Oregon Institute of Technology and Southern Oregon State College.

In addition, there are twenty-five independent colleges, fifteen community colleges and various proprietary vocational schools in the state.